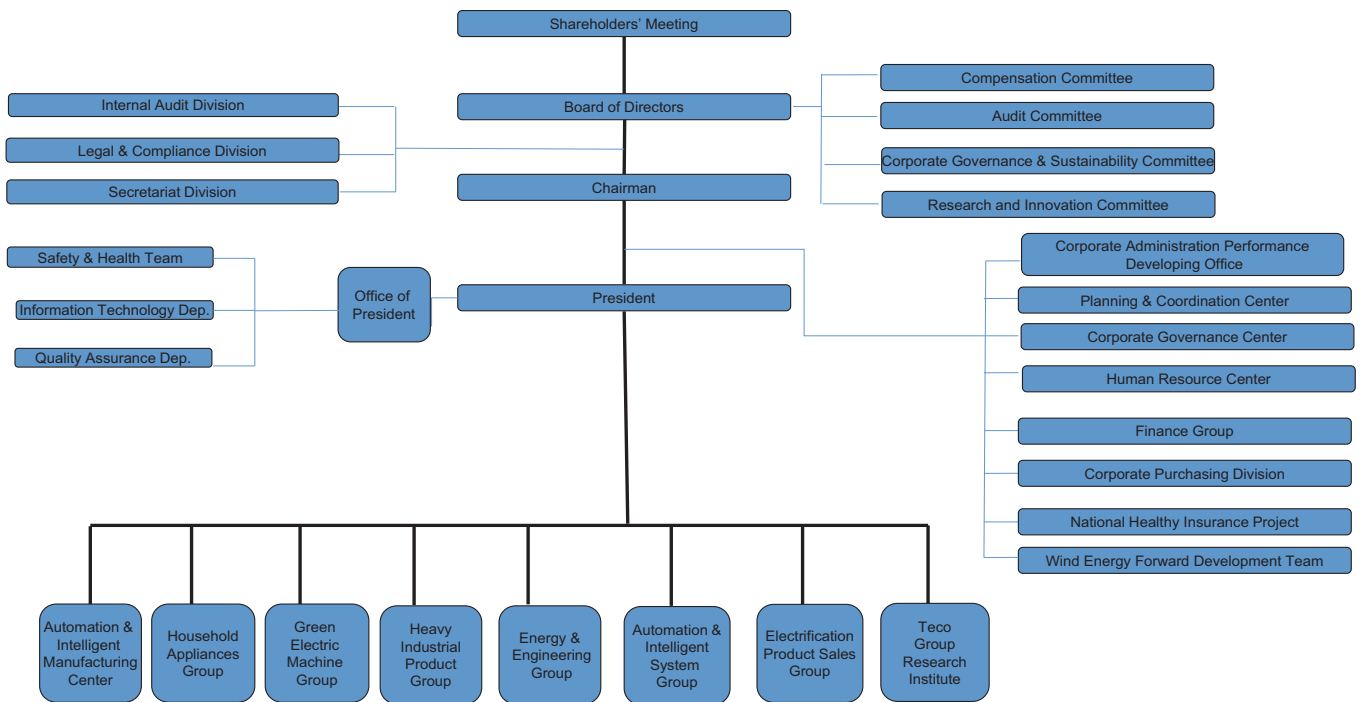


III. Corporate Governance Report

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

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%	30,341,364	1.63%	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%	2,041,964	0.11%	16,987	0.00%	0	0					
Managing Director	ROC	Tong Ho Global Investment Co., Ltd	2018.6.15	3	2000.4.21	2,240,262	0.11%	2,240,262	0.11%	0	0	0	0	Ph.D of Electric & Engineering, University of Illinois	Chairman of Tecom Co., Ltd. & Shanghai TECO Electric & Machinery Co.,Ltd	-	-	
	ROC	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	0.78%	2,110,934	0.11%	0	0	Bachelor of Economics, Fu Jen Catholic University	Chairman of Sen Yeh Construction Co., Ltd. Independent Director of Aurotek Corporation	-	-	
	ROC	Creative Sensor Inc.	2018.6.15	3	2009.6.19	10,000,000	0.54%	10,000,000	0.51%	0	0	0	0	Master of Electric & Engineering, Columbia University	Chairman of Creative Sensor Inc. & TECO Image Systems Co., Ltd.	Director	Mao- Hsiung, Huang	Father & Son
Managing & Independent Director	Japan	Representative: Yu-Ren, Huang	2018.6.15	3	2012.6.15	234,623	0.01%	234,623	0.01%	0	0	0	0	Ph.D of Business Administration, Northwestern University	Independent Director of Fusheng Precision Co., Ltd.	-	-	
	ROC	Wei-Chi, Liu	2018.6.15	2	2018.6.15	0	0	0	0	0	0%	0	0	Ph.D of Electric & Engineering and computer science, University of California, Berkeley				
Independent Director	ROC	Jin-Fu, Chang	2018.6.15	3	2018.6.15	0	0	0	0	0	0	0	0	Independent Director of Taiwan Secom Co., Ltd.				
	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.	-	-	

March 31, 2020

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	%			Shares	%	Title
Director	ROC	Mao-Hsiung, Huang	2018.6.15	3	1972.5.12	18,486,633	0.92%	18,486,633	0.94%	5,839,071	0.30%	0	0	Master of Economics, University of Pennsylvania	Chairman of Century Development Corporation & Tong-An Investment...	Managing Director	Yu-Ren, Huang	Father & Son
Director	ROC	Ying Int. Inv. Co., Ltd	2018.6.15	3	2018.6.15	10,079,600	0.50%	14,454,698	0.73%	0	0	0	0	Master of Mechanical Engineering, University of Tokyo	Director of Tecom Co., Ltd., Chairman of Yingshi Int. Inv. Co., Ltd	-	-	-
Director	ROC	Representative: Po-Chih, Huang	2018.6.15	3	1988.3.28	11,614,831	0.58%	7,344,746	0.37%	150,975	0.01%	14,454,698	0.73%	University of Southern California	Chairman of South Taiwan Bus & PT Group	-	-	-
Director	ROC	Hung Shun Investment Co., Ltd	2018.6.15	3	2018.6.15	304,000	0.02%	1,104,000	0.06%	0	0	0	0	Bachelor of Business Administration, University of Southern California	Chairman of South Taiwan Bus & PT Group	-	-	-
Director	ROC	Representative: Tzu-Yi, Kuo	2018.6.15	3	2018.6.15	724,559	0.04%	724,559	0.04%	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.	-	-	-
Director	ROC	Tong-An Investment Co., Ltd.	2018.6.15	3	2018.6.15	19,540,052	0.98%	19,540,052	0.99%	0	0	0	0	Ph.D. of Electric & Engineering, Northwestern University, US	Chairman of Global Strategic Venture & Universal Development & Investment Capital I Co., Ltd	-	-	-
Director	ROC	Representative: Shang-Wei, Kao	2018.6.15	3	2018.6.15	15,000	0.00%	15,000	0.00%	0	0	0	0	Master of Mechanical Engineering, University of Houston	Chairman of TECO (Vietnam) Electric & Machinery Co., Ltd. & Wuxi TECO Precision Mechatronics Co., Ltd...	-	-	-
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	Chairman of Global Strategic Venture & Universal Development & Investment Capital I Co., Ltd	-	-	-
Director	ROC	Representative: Shih-Chien, Yang	2018.6.15	3	2009.6.19	0	0.00%	0	0.00%	0	0	0	0	Master of Mechanical Engineering, University of Houston	Chairman of TECO (Vietnam) Electric & Machinery Co., Ltd. & Wuxi TECO Precision Mechatronics Co., Ltd...	-	-	-
Director	ROC	Tung Kuang Investment Co., Ltd.	2018.6.15	3	2000.4.21	30,341,364	1.52%	32,141,364	1.63%	0	0	0	0	Master of Mechanical Engineering, University of Houston	Chairman of TECO (Vietnam) Electric & Machinery Co., Ltd. & Wuxi TECO Precision Mechatronics Co., Ltd...	-	-	-
Director	ROC	Representative : Hong-Hsiang, Lin	2018.6.15	3	2012.6.15	2,161,893	0.11%	2,116,893	0.11%	800,000	0.04%	0	0	Master of Mechanical Engineering, University of Houston	Chairman of TECO (Vietnam) Electric & Machinery Co., Ltd. & Wuxi TECO Precision Mechatronics Co., Ltd...	-	-	-

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	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					
Director	ROC	Yung-Hsiang, Chang	2018.6.15	3	2006.9.6	0	0.00%	600,000	0.03%	0	0	0	0	Bachelor of Industrial Engineering and Management, Minghsin University of Science and Technology	None	-	-	-

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	V	V	0
Tong Ho Gloabl Investment Co., Ltd Representative : Chao-Kai, Liu			V							V	V	V	V	V	V	V	V	V	V	0
Cheng-Tsung, Huang Creative Sensor Inc.			V							V	V	V	V	V	V	V	V	V	V	1
Representative: Yu-Ren, Huang Wei-Chi, Liu	V		V							V	V	V	V	V	V	V	V	V	V	0
Jin-Fu, Chang Ting-Wong, Cheng	V		V	V						V	V	V	V	V	V	V	V	V	V	1
Mao-Hsiung, Huang Ying Int. Inv. Co.,Ltd	V		V							V	V	V	V	V	V	V	V	V	V	0
Representative : Po-Chih, Huang			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	0
Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao			V							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	4
Tung Kuang Investment Co., Ltd. Representative: Hong-Hsiang, Lin			V							V	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	0
Yung-Hsiang, Chang			V							V	V	V	V	V	V	V	V	V	V	0

Note: 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 proprietors, 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 NTS 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.

3.2.2 Management Team

March 31, 2020

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
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 Teco Electric & Machinery Pte Ltd	-	-
Executive Consultant	ROC	Hong-Hsian g, Lin	1998.8.21	2,137,813	0.11%	800,000	0.04%	0	-	Master Mechanical Engineering, University of Houston	Chairman of Wuxi TECO Precision Mechatronics Co., Ltd	-	-
Assistant Vice President	ROC	Sheng-chyuan, 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	Director 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 Wuxi Teco Co., Ltd	-	-
Assistant Vice President	ROC	Kevin Yeh	2017.1.1	46,143	0.00%	0	0.00%	0	-	Bachelor of Business Administration, Boston University	Chairman of Teco Sun Energy	-	-
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	-	-	-
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	36,932	0.00%	0	0.00%	0	-	Master of Business Administration, National Chung Cheng University	-	-	-

3.2.3 Remuneration of Directors, President and Vice President

Remuneration of Directors (Including Independent Directors)

December 31, 2019 / Unit: NT\$ thousands

Code	Title	Name	Remuneration						Relevant remuneration received by directors who are also employees						Compensation paid to directors from an invested company other than the company's subsidiary
			Base Compensation(A) Companies in the consolidated financial statements The company	Severance Pay(B) Companies in the consolidated financial statements The company	Bonus to Directors(C) Companies in the consolidated financial statements The company	Allowances(D) Companies in the consolidated financial statements The company	Ratio of total remuneration (A+B+C+D) to net income(%) Companies in the consolidated financial statements The company	Salary, Bonuses, and Allowances (E) Companies in the consolidated financial statements The company	Severance Pay (F) Companies in the consolidated financial statements The company	Profit Sharing The company Cash Dividend Stock Dividend	Employee Bonus (G) Companies in the consolidated financial statements Cash Dividend Stock Dividend	Ratio of total compensation (A+B+C+D+E+F+G) to net income(%) Companies in the consolidated financial statements The company			
1	Chairman	Tung Kuang Investment Co., Ltd. Representative : Chwen-Jy, Chiu	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Managing Director	Tong Ho Global Investment Co., Ltd Representative : Chao-Kai, Liu	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Managing Director	Cheng-Tsung, Huang	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Managing Director	Creative Sensor Inc. Representative: Yu-Ren, Huang	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Managing & Independent Director	Wei-Chi, Liu	-	-	-	-	-	3.59%	9,053	108	-	-	-	3.87%	1,803
6	Independent Director	Jin-Fu, Chang	-	-	-	-	-	3.61%	10,253	108	-	-	-	3.93%	-
7	Independent Director	Ting-Wong, Cheng	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Director	Mao-Hsiung, Huang	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Director	Ying Int. Inv. Co., Ltd Representative : Po-Chih, Huang	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Director	Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo	-	-	-	-	-	-	-	-	-	-	-	-	-
			Total:	Total:	Total:	Total:	Total:	Total:	Total:	Total:	Total:	Total:	Total:	Total:	Total:
			-	-	114,752	816	1,463	3.59%	9,053	108	-	-	-	3.87%	1,803
			-	-	114,752	816	1,463	3.61%	10,253	108	-	-	-	3.93%	-

Code	Title	Name	Remuneration						Relevant remuneration received by directors who are also employees						Compensation paid to directors from an invested company other than the company's subsidiary					
			Base Compensation(A)		Severance Pay(B)		Bonuses to Directors(C)		Allowances(D)		Ratio of total remuneration (A+B+C+D) to net income(%)		Salary, Bonus, and Allowance (E)			Severance Pay (F)		Profit Sharing- Employee Bonus (G)		Ratio of total compensation (A+B+C+D+E+F+G) to net income(%)
			Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Cash Dividend	Stock Dividend	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company
11	Director	Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao																		
12	Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih- Chien, Yang																		
13	Director	Tong Kuang Investment Co.,Ltd Representative: Hong-Hsiang, Lin																		
14	Director	Yubantec & Co., Ltd. Representative: Tung-Hai, Kao																		
15	Director	Yung-Hsiang, Chang																		

Note 1: As there was no retirement in 2019, fund in the column is either provision or appropriation for retirement payment and is treated as expenses.

Bracket	Name of Directors(Note 1)			
	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	5,6,7	5,6,7	5,6,7	5,6,7
NT\$2,000,000 ~ Under NT\$3,500,000				
NT\$3,500,000 ~ Under NT\$5,000,000				
NT\$5,000,000 ~ Under NT\$10,000,000	8,9,10,11,12,13,14,15	8,9,10,11,12,13,14,15	9,10,11,12,13,14,15	9,10,11,12,13,14,15
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	15	15	15	15
Number of Directors				

Note 1: Shown by code of Directors in the previous table

Compensation of President and Vice President

December 31, 2019 / Unit: NT\$ 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	Cash	Stock			
1	Chairman	Chwen-Jy, Chiu											
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	Hank, Horng											
7	Assistant Vice President	Chi-Tseng, Peng											
8	Assistant Vice President	Fei-Yuan, Kao											
9	Assistant Vice President	Kevin Yeh											
10	Assistant Vice President	Kuo-Min, Chen											
11	Corporate Governance Officer	Shih-Hsiung, Chien											
			Total	Total	Total	Total	Total	Total	Total	Total			1,357
			29,213	29,213	1,602	1,602	27,844	31,835	24,472	-	2.58%	2.70%	

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

2019.12.31/ 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 24,472	Total 24,472	0.76%
	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				

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 (%)
2019	213,608	6.63%
2018	195,254	6.20%

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 performance goal, and his/her contribution to the corporate performance, in order to reach reasonable levels of compensation. Year-end bonus is paid out according to a fixed share of net profits, which can only be changed by a resolution of the board of directors.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A total of 6 meetings of the board of directors were held in 2019, 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	6	0	100 %	
Managing Director	Tong Ho Gloabl Investment Co., Ltd Representative : Chao-Kai, Liu	6	0	100%	
Managing Director	Cheng-Tsung, Huang	6	0	100%	
Managing Director	Creative Sensor Inc. Representative: Yu-Ren, Huang	6	0	100%	
Managing & Independent Director	Wei-Chi, Liu	6	0	100%	
Independent Director	Jin-Fu, Chang	6	0	100%	
Independent Director	Ting-Wong, Cheng	6	0	100%	
Director	Mao-Hsiung, Huang	5	1	83%	
Director	Yinge Int. Inv. Co.,Ltd Representative : Po-Chih, Huang	6	0	100%	
Director	Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo	6	0	100%	
Director	Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao	6	0	100%	
Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih- Chien, Yang	4	2	67%	
Director	Tong Kuang Investment Co.,Ltd Representitive: Hong-Hsiang, Lin	6	0	100%	
Director	Yubantec & Co., Ltd. Representative: Tung-Hai, Kao	6	0	100%	
Director	Yung-Hsiang, Chang	5	1	83%	

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. 25-6 Board Meeting: 2019.3.26

Director's Name: Yu-Ren Huang (Managing Director), Po-Chih Huang (Director)

Contents of the case: Donation to "TECO Technology Foundation" for various events in 2019.

Reason for avoidance of conflict of interest and the status of voting: Since the aforementioned managing director and directors also serves as director, they left the meeting and abstained from taking part in the voting. Other directors passed the case without objection.

Director's name: Chwen-Jy, Chiu (Chairman), Chao-Kai, Liu (Managing Director), Yu-Ren Huang (Managing Director), Mao-Hsiung, Huang (Director), Shang-Wei, Kao (Director), Hong-Hsiang, Lin (Director)

Contents of the case: Plan to supply affiliates and oversea subsidiaries with endorsement guarantee

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the director of An-Tai International Investment Co., Ltd., GD TECO Taiwan 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 & independent director, Wei-Chi, Liu. Chao-Kai, Liu is the director of TECO International Investment Co., Ltd., Motovario S.p.A, abstained from the discussion and voting for the case based upon interest conflict. 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, Shang-Wei, Kao is chairman of GD TECO Taiwan Co., Ltd. abstained from the discussion and voting for the case based upon interest conflict

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.

Director's name: Chwen-Jy, Chiu (Chairman), Chao-Kai, Liu (Managing Director), Cheng-Tsung, Huang (Managing Director), Mao-Hsiung, Huang (Director)

Contents of the case: Provision of loans among the company and affiliates

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the director of TECO Westinghouse Motor Company, chairman of Asia Innovative Technology (Xiamen) Co., Ltd., director of UVG Investment Co.Ltd., director of Tong-An Assets Management & Development Co., Ltd., abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing & independent director, Wei-Chi, Liu. Chao-Kai, Liu is the director of TECO Westinghouse Motor Company, director of Asia Innovative Technology (Xiamen) Co., Ltd., director of UVG Investment Co. Ltd., Cheng-Tsung, Huang is the director of Tong-An Assets Management & Development Co., Ltd, Mao-Hsiung, Huang is the director of TECO Westinghouse Motor Company, director of Asia Innovative Technology (Xiamen) Co., Ltd., chairman of Tong-An Assets Management & Development Co., Ltd., abstained from the discussion and voting for the case based upon interest conflict.

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.

ii. 25-7 Board Meeting: 2019.5.13

Director's Name: Chwen-Jy, Chiu (Chairman), Chao-Kai, Liu (Managing Director)

Contents of the case: Tong An Investment and Tong-An Assets Management & Development Co., Ltd plan to provide CDC Development India Private Limited with guarantee for long term borrowings.

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy, Chiu is the director of Century Development Co., Ltd., Tong An Investment and Tong-An Assets Management & Development Co., Ltd., abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing & independent director, Wei-Chi, Liu. Chao-Kai, Liu is the director of Tong An Investment, abstained from the discussion and voting for the case based upon interest conflict.

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.

iii. 25-10 Board Meeting: 2019.11.12

Director's Name: Chwen-Jy, Chiu (Chairman), Chao-Kai, Liu (Managing Director)

Contents of the case: Discussion on waiving interest payment of UVG's fund lent to TNL.

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy, Chiu is the director of UVG, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing & independent director, Wei-Chi, Liu. Chao-Kai, Liu is the director of UVG, abstained from the discussion and voting for the case based upon interest conflict.

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, with a condition that the case will be resubmitted to the board meeting if the shareholding structure changes in UVG or TNL.

iv. 25-11 Board Meeting: 2019.12.24

Director's name: Chwen-Jy, Chiu (Chairman), Yu-Ren Huang (Managing Director), Mao-Hsiung, Huang (Director), Shang-Wei, Kao (Director)

Contents of the case: Century Development Co., Ltd. lend to its subsidiary, Century Tech. C&M Corporation

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the director of Century Development Co., Ltd, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing & independent director, Wei-Chi, Liu. Mao-Hsiung, Huang is chairman of Century Development Co., Ltd, Shang-Wei, Kao is the director of Century Development Co., Ltd. abstained from the discussion and voting for the case based upon interest conflict. Yu-Ren, Huang is the relative within the first degree of kinship of the chairman of Century Development Co., Ltd., abstained from the discussion and voting for the case based upon interest conflict.

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.

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

Contents of the case: Tong An Asset Management plans to participate in capital increase by cash in Century Biotech Development Corporation.

Reason for avoidance of conflict of interest and the status of voting: Chwen-Jy, Chiu is the director of Tong-An Assets

Management & Development Co., Ltd and abstained from the discussion and voting for the case based upon interest conflict and presided over by managing & independent director, Wei-Chih, Liu. Cheng-Tsung, Huang is the director of Tong-An Assets Management & Development Co., Ltd., Mao-Hsiung, Huang is chairman of Tong-An Assets Management & Development Co., Ltd, abstained from the discussion and voting for the case based upon interest conflict. Yu-Ren, Huang is the relative within the first degree of kinship of the chairman of Tong-An Assets Management & Development Co., Ltd., abstained from the discussion and voting for the case based upon interest conflict.
 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
Once per Year	2019.1.1~2019.12.31	Performance Evaluation of Board	Internal self-evaluation of the board of directors "Board Assessment Self-evaluation Questionnaire"	The measurement items of the "Board Assessment Self-Assessment Questionnaire" include a total of 48 evaluation indicators includes five dimensions: participation in the company's operations, improving the quality 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 "Board Assessment Self-evaluation Questionnaire"	The items for Board of Directors Performance Evaluation includes: Decision-Making Effectiveness (for participation in company operation, improving the quality of the board's decision-making, etc.); Professional Functions (for the composition and structure of the board of directors, selection of directors and continuous training); compliance with regulations (for internal control); community participation (for community participation).
By external professional & IndependentInstitute every three year	2017.1.1~2017.12.31	Performance Evaluation of Board, Audit Committee & Compensation Committee and delivery of analysis reort	Invite Taiwan Institute of Ethical Business and Forensics (TIEBF) to execute through "Data Review", "Questionnaire", and "Interview"	The items for Audit Committee's Effectiveness Evaluation includes: Decision-Making Effectiveness (understanding company's financial and internal control regulations, communication and interaction with external audits, and responses to internal and external opinions, etc.); Professional Functions (composition of committee members, training situations of committee members, and understanding of their supervisory role, etc.). The items for the Salary and Compensation Committee's Effectiveness Evaluation includes: The committee's understanding of the company's business objectives; its focus on the performance of directors and managers; the committee reviews the remuneration transparently and objectively based on the performance of the directors and managers; feedbacks on the performance of the directors and managers; whether the shareholders

				have appropriate channels to express opinions on remuneration.
<p>4. Target of strengthening the function of the Board and evaluation of current year and recent years</p> <p>i. Strengthen the authorities of the functional committee</p> <p>The Board of Directors of the Company has established two functional committees, namely the Audit Committee (established in 2012) and the Compensation Committee (established in 2011), to assist the Board of Directors in performing its supervisory duties. The audit committee is composed of all independent directors (3), and the compensation committee is composed of independent directors appointed by the board (3 in total). In order to improve the participation of directors in the company's operation and strengthen the level of corporate governance, the company added a "Corporate Governance and Sustainability Committee" in 2018 (comprised by at least three directors, more than half of the Independent directors participate, and members independently select an independent director to serve as the convener and chairman of the meeting). The duty is to review the soundness of organizations and systems at corporate governance, to nominate candidates of directors and independent directors, to supervise the implementation of corporate social responsibility and sustainable operation matters, and to strengthen the organization and management of the board of directors ... etc. The constitution of each committee is approved by the board of directors, and its activities and resolutions are regularly reported to the board of directors.</p> <p>ii. Enhance the effectiveness of the Board</p> <p>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 (108.5.13) 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.</p>				

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 2019:

1. Review financial reports

The company's board of directors submitted the 2018 annual financial statements (including the consolidated financial statements) which has been audited and certified by accountants Wu, Yu-Lung, Chou, Chien-Hung entrusted by the Board of Directors. Together with annual business report and surplus earning distribution motion, they are reviewed and approved by the Audit Committee (2019.3.19) and were submitted to the 6th meeting of the 25th Board of Directors (2019.3.26) for resolution.

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 2018 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 36 level units. The internal control self-assessment operation was completed at 2019.1.31. 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 2019.2.27. 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 6th Audit Committee of the 3rd Session (2019.3.19), and submitted to the Resolution of the 6th Board of Directors

(2019.3.26) of the 25th Session, the "Internal Control System Statement" for 2018 was issued.

A total of 6 meetings of the Audit Committee were held in 2019, and the Audit Committee attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener & Chairman	Ting-Wong, Cheng	6	0	100%	
Member	Wei-Chi, Liu	6	0	100 %	
Member	Jin-Fu, Chang	6	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 auditing committee		
25-6 Board Meeting 2019.3.26	Discussion on business report, parent company only financial statements and consolidated financial statements of 2018	v			
	Discussion on Profit distribution of 2018	v			
	Internal audit report and self assesment of internal control of 2018	v			
	Discussion on Due Date Quota of Financial Institution in 2018	v			
	Discussion on provision of loans among the company and affiliates	v			
	Discussion on provision of endorsement and guarantee for the affiliates and overseas subsidiaries	v			
	Adjustment of trader on derivatives and stock	v			
	Amendment to "Procedure of acquisition or disposal of assets"	v			
The Resolution of Audit Committee (2019.3.19 & 2019.5.6): Passed by all attendee committee members					
How the company handle opinion of Audit Committee: Passed by all attendee directors					
25-7 Board Meeting 2019.5.13	Discussion on "Record date of capital reduction" to write off 16 th treasury share buyback and related matters.	v			
	Tong An Investment and Tong-An Assets Management & Development Co., Ltd plan to provide CDC Development India Private Limited with guarantee for long term borrowings.	v			
	The Resolution of Audit Committee (2019.5.6): Passed by all committee members				
How the company handle opinion of Audit Committee: Passed by all attendee directors					
25-9 Boarding Meeting 2019.8.14	2018Q2 consolidated financial statements	v			
	The Resolution of Audit Committee (2019.8.7): Passed by all committee members				
	How the company handle opinion of Audit Committee: Passed by all attendee directors				
25-10 Boarding Meeting 2019.11.12	Discussion on waiving interest payment of UVG's fund lent to TNL.	v			
	The Resolution of Audit Committee (2019.11.5): Passed by all committee members, with a condition that the management shall explain more details about pricing under negative interest rate and urge the management to find an alternative solution as soon as they could.				
	How the company handle opinion of Audit Committee: 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, with a condition that the case will be resubmitted to the board meeting if the shareholding structure changes in UVG or TNL.	
25-11 Boarding Meeting 2019.12.24	Internal audit plan for 2020	v
	Discussion on CPA's independence and adequacy	v
	Discussion on remuneration of CPA	v
	The Resolution of Audit Committee (2019.12.17): Passed by all members	
	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 accounts. 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 account 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 2019 are showed as follows.		
Audit Committee	Communication Item	Communication Result
3-6 (2019.3.19)	Report for 2018 Internal Audit	Notification
	2018 Internal Audit Self Evaluation (Announcement of Internal Control)	Approval after review before submission to the board of directors for resolution
3-7 (2019.5.6)	Report for 2019 1Q Internal Audit	Notification
3-9 (2019.8.7)	Report for 2019 2Q Internal Audit	Notification
3-11 (2019.12.17)	Report for 2019 3Q Internal Audit	Notification
	Audit Project for 2020	Approval after review before submission 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 2019 are showed as follows.		
Audit Committee	Communication Item	Communication Result
3-6 (2019.3.19)	Report for 2018 consolidate and parent company only financial statements	Approval after review before submission to the board of directors for resolution
	The effect resulted from updated IFRS, regulations and tax law	Notification
3-9 (2019.8.7)	Report for 2019 2Q consolidate financial statements	Approval after review before submission to the board of directors for resolution
	Effect of the revised Income Tax Act	Notification

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 four amendments by Boeard of directos from 2013 to 2016, 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. 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", 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. d. The company has formulated internal norms 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.			a. In line with the policy of membership diversification for the board of directors, as stipulated in the "practical guidelines for corporate governance." Include but not restrict the following 2 standards: i. Basic condition: sex, 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	
<p>b. Whether the company has installed on its own various functional committees other than the compensations committee and the auditing 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.</p>	V		<p>Mangement 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% (term of two independent directors The seniority 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 2018 reaches at 95.56%. The members monitored and understand the execution of business plans effectively.</p> <p>b. The company already approved the institution of the “compensations committee” at the 13th meeting of the 22th board of directors (Aug. 22, 2011) and the “audit committee” at the first meeting of the 23th board of directors (June 15, 2012). In order to establish a good governance system, rationalize and strengthen management functions, fulfill corporate social responsibilities, and attain sustainable development, the 25th 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. According to its organizational charter, the company's salary and compensations committee convenes regularly to evaluate the performance of the board of directors every year. 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" At the end of every year, the secretariat of the board of directors would</p>

Items	Implementation status		Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	
			<p>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 evaluation of BOD and issue external evaluation report every three years.</p> <p>In 2017, the company entrusted the Taiwan Institute of Ethical Business and Forensics in evaluating the performance of the board of directors (including functional committees under the jurisdiction of the board of directors, such as audit committee and compensation committee), via the methods of data review, questionnaire, and interviews. Evaluation dimensions include: participation in the meetings of the board of directors (attendance rate/activeness in participating in discussion), professional competence (continuing study), legal compliance (conformance to regulation in reporting share transfer/assistance for the company in legal compliance), and community participation (attendance rate for corporate events/assistance for the company in upholding the company's relationship with stakeholders). The evaluation report, which was submitted to the board of directors on March 26, 2018, points out that operation of the meetings of the board of directions and functional committees was smooth and communication channel among members was not blocked, and members identified with corporate culture and management concept. Suggestion for improvement: the management team can consider including report on the global market and industrial trend for the company's products at the meetings of the board of directors, so as to give directors an opportunity in accessing information on business management environment, in addition to reviewing and analyzing failures in the execution of resolutions, so as to improve the effectiveness of decision making.</p> <p>2018 & 2019 Performance evaluation of BoD was conducted by secretariat division of the board of directors through internal self evaluation. Items covered by self evaluation questionnaire includes 48 items in five sections: participation in company's operation, enhancement of quality of decision made by BoD, Composition and structure of BoD, selection and continual training of directors and internal control. The evaluation report was submitted to the board meeting on March 26th, 2018 and February 24th, 2019. All items reached the related standard. The performance of BoD in 2018 and 2019 demonstrates its sound operation.</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>Improvement actions:</p> <p>i. The company's "Global Sales and Operation Center" organization target development planning report has been submitted to the Board of Managing Directors on February 25, 2019 and the board meeting on March 26, 2019. It is planned to strengthen cooperation with various affiliated companies and distributors, provide better and faster support, and promote competitiveness, market share, and customer satisfaction.</p> <p>ii. The analysis report of benchmarking company strategy and business structure transformation has been submitted to board of managing directors on October 21, 2019 and the board of directors meeting on November 12, 2019. The company is the world's leading manufacturer of industrial products and will take a company-wide digitalization strategy as its main theme to truly implement digitalization.</p> <p>The 2020 “Board Performance Assessment” will be commissioned by an external professional independent institution or a team of external experts and scholars. The "Board Performance Evaluation Results" of each year will be provided to the "Compensation Committee" and "Corporate Governance and Sustainability Committee" as a reference for individual directors' remuneration and nomination renewal.</p> <p>d. The 23rd board of directors also approved at its 19th 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 evaluated CPAs Wu, Yu-Lung and Chou, Chien-Hung of PwC Taiwan according to the CPA evaluation scale and 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 25th board of directors at the 5th meeting (Dec. 22nd, 2018) and the 25th board of directors at the 11th meeting (Dec. 24, 2019)</p>	d. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”
D. Does the listed company assign a department for corporate governance or a staff 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	V		The Company established the "Corporate Governance Center" in July 104 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 (209.5.13), it was decided to appoint the Deputy Director of the "Corporate	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	
minutes for board meeting and AGM based upon the regulation			<p>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 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 training, 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. The implementation of corporate governance 2018 has summited to the meeting of Corporate Governance and Sustainability Committee on January 24th, 2018 as well as Bod meeting on march 26th, 2018. The report is showed as follow:</p> <ol style="list-style-type: none"> 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. 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. iii. Based upon “Regulations Governing the Board Performance Evaluation,” board secretary collects the information related 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. 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

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
			<p>accountant to attend meetings of the board of directors at least twice a year to exchange opinions with directors on annual report and semiannual report, as well as the updating of IFRSs, securities laws/regulations, and tax laws/regulations.</p> <p>v. Oversee the establishment of "administrative platform for corporate governance," in order to integrate and track various corporate-governance indicators and have a firm grip of the progress of corporate governance. Starting from the company's vision for corporate governance and based on the evaluation indicators of the "corporate governance evaluation," drafted by the Taiwan Stock Exchange, the platform reviews regularly, alongside various related units, various corporate-governance items, sets various corporate-governance goals, and tracks the execution, as well as results, of various corporate-governance items by units in charge, so as to sustain performance.</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 "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," 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 2019.12.31, Deputy Director Sih-Hsiung, Chien has completed 12 hours (please refer to the 2019 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 “

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
F. Whether the company has entrusted professional stock-affairs agent to handle shareholder’ meeting.	V		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)	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies“
G. Information publication a. Whether the company has installed website for publication of information on finance, business, and corporate governance. 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). 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?	V		a. The company institutes website for disclosing the status of finance and corporate governance. The address of the corporate website: www.teco.com.tw b. The company institutes English-language website (http://www.teco.com.tw/en_version/index.asp), 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. 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 merged individuals, temporarily not been able to announce and declare the annual financial report within two months after the end of the fiscal year. 2019 Annual financial statements have been announced and declared on 2020.3.19.	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“
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,	V		a. 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. 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. c. The company has set up a unit dedicated to periodic disclosure the company's major business information, boosting information	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	
and supervisors.			<p>transparency, as well as a feedback mechanism for accepting suggestions of 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 2019, 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 101 hours, on top of total study time of 60 hours for managers.</p> <p>g. The company has dedicated to the establishment of a complete risk-management system, actively taking into account 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 2019.</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 lower the risks of major loss for the company and shareholders which could be caused by the mistake or negligence of directors.</p> <p>i. The company has taken out liabilities insurance for directors covering possible liabilities related to their responsibilities during their tenure 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 (2019 and 2020) was delivered at the 6th meeting of the 25th board of directors (2019.3.26) and 12th meeting of the 25th board of directors.(2020.2.24)	
I. Please illustrate the improvement based upon Corporate Governance Evaluation Result released by Taiwan Stock Exchange.	V		<p>a. The company was granted top 5% evaluation in corporate-governance evaluation for six years running since fiscal 2015.</p> <p>b. The situation has been improved: In order to clearly define the responsibilities of the chairman and the general manager, the deputy president Chao-Chih, Lien was temporarily acting as the general manager on 2018.4.25. The spirit of corporate governance. Chairman Chwen-Jy, Chiu no longer act as general manager to implement the spirit of corporate governance.</p> <p>c. Priority strengthening matters and measures: In order to diversify the schedule of the shareholders' meeting and facilitate the shareholders to participate in the shareholders' meeting, the Company held a regular shareholders' meeting before the end of May since 2020.</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 Education	Knowledge and Skill							
	Sex	Nationality		Judg-ment for operation	Analytical Skills for accounting and finance	Man-agement	Crisis Mana-gement	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
Tong Ho Gloabl Investment Co., Ltd Representative : Chao-Kai, Liu	M	Taiwan	Electronic Engineering	v	v	v	v	v	v	v	v
Cheng-Tsung, Huang	M	Taiwan	Economy	v	v	v	v	v	v	v	v
Creative Sensor Co., Ltd. Representative: Yu-Ren Huang	M	Japan	Electronic Engineering	v	v	v	v	v	v	v	v
Wei-Chi, Liu	M	Taiwan	Business Administration	v	v	v	v		v	v	v
Jin-Fu, Chang	M	Taiwan	Electronic Engineering	v		v	v	v	v	v	v
Ting-Wong, Cheng	M	Taiwan	Accounting	v	v	v	v	v	v	v	v
Mao-Hsiung, Huang	M	Taiwan	Economy	v	v	v	v	v	v	v	v
Yinge Int. Inv. Co.,Ltd Representative : Po-Chih, Huang	M	Taiwan	Engineering	v	v	v	v	v	v	v	v
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	M	Taiwan	Industrial Management	v	v	v	v	v	v	v	v

Note 2: Information on the operation of 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 two meetings of the committee in the recent year follows:

Title	Name	Times of attendance	Attendance rate (%)	Note
Convener and chairman	Wei-Chi, Liu	4	100%	Financial management, industry-government education and social service experience
Member	Ting-Wong, Cheng	4	100%	Financial Management and Accounting
Member	Jin-Fu, Chang	4	100%	Electrical Engineering and Information Science
Member	Chwen-Jy, Chiu	4	100%	Finance and Management
Member	Mao-Hsiung, Huang	4	100%	Management and Industrial Innovation

Other items of mandatory registration:

- 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: nil
- Opposition or reservation of members on record or in written statement against resolutions of corporate governance and sustainability committee: nil
- The main items reviewed are summarized below

corporate governance and sustainability committee	Item	Result
1-1 (2018.11.13)	Eelect the convener of the "Corporate Governance and Sustainability Committee".	Wei-Chi, Liu, managing and independent director, serves as the convener and chairman of the "Corporate Governance and Sustainability Committee".
1-2 (2019.1.24)	The company's "CSR Committee", "Corporate Governance Center" and "Law Compliance and Legal Affairs Office" 2019 work plan.	After deliberation and approval, execute by each units and submitted to the board of directors.
1-3 (2019.8.7)	(1) "CSR Committee", "Corporate Governance Center" and "Legal Compliance and Legal Affairs Office" Annual Work Plan Executive Performance reports. (2)To amend the company's "Corporate Governance Best Practice Principle" case.	It was reviewed and approved and reported to the board of directors.
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 "Law Compliance and Legal Affairs Office" 2020 work plan.	After deliberation and approval, execute by each units and submitted to the board of directors.

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 can maintain independence in substance and form for audition, perusal, recheck, or special inspection of financial statements before offering opinions?	Yes	v
2	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
3	Whether certified public accountants carry out professional service in upright and rigorous manner?	Yes	v
4	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"> Business development and operation Financial transparency Risk management Corporate governance Environmental protection 	<ul style="list-style-type: none"> Market Observation Post System at Taiwan Stock Exchange Shareholder meeting---at least once a year (2019.6.14) Investment forums in Taiwan and abroad---8 forums in 2019 Visits by representatives of investment corporations---167 person-visits in 2019 Relation/stock mailboxes dedicated to investors ---immediate replies by responsible persons Contact window:(IR) ir@teco.com.tw 	<ul style="list-style-type: none"> Chosen as a component stock of Taiwan Sustainability Index In 2019 corporate governance evaluation, Teco Electric & Machinery ranked high in every performance indicator for the evaluation and ranked as the top 5% award for six consecutive years
Employee	<ul style="list-style-type: none"> Business development and operation Relations between company and employees\Employees' rights and interests Training and career development Occupational environment Expression of employees' opinions and 	<ul style="list-style-type: none"> Company-employee meetings---once every quarter Employees' meetings---once every quarter Executives' symposiums---once half a year Occupational safety and health committee---a meeting every quarter Employee welfare committee 	<ul style="list-style-type: none"> 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. Employees' social participation is encouraged, with voluntary social workers' total input exceeding 2,212 hours in 2019. Besides, the

Stakeholder	Issue	Communication Channel	Communication Result
	communication	<ul style="list-style-type: none"> • Publication of a bimonthly • Survey of employees' satisfaction---once a year • Proposals for improvement • Contact window:(HR) edwardyu@teco.com.tw 	<ul style="list-style-type: none"> • company promoted a credit system and paid leaves for voluntary contribution to social benefit. • 434 courses were offered in 2019 under the company's training program and business units' separate training plans, with an employee receiving 18.1-hour training on average.
Client	<ul style="list-style-type: none"> • Labeling for products and services • Customers' health and safety • Marketing communication • Survey of customers' satisfaction • Green products 	<ul style="list-style-type: none"> • Dedicated telephone lines for response to customers if needed • 1-4 symposiums a year for sales agents and irregular calls on sales agents • Tracking of after-sale services---by telephone talks • company's website and media---updated in needed • Questionnaire survey of satisfaction---1-4 times a year • Contact window:(Spokesperson) speaker@teco.com.tw 	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.
Supplier	<ul style="list-style-type: none"> • Green supply chain management • Human right evaluation for suppliers • Operational performance • Order management • Quality management • Technology used in production 	<ul style="list-style-type: none"> • Evaluation of suppliers • Examination of suppliers • Counseling for suppliers---offered if needed • E-procurement---if needed • Contact window:(Procurement)Jasper.Y@teco.com.tw 	<ul style="list-style-type: none"> • Risk assessment and on-site evaluation were undertaken for key suppliers, with key suppliers • Suppliers signed agreements for protection of human rights and environment
Local community	<ul style="list-style-type: none"> • Occupational safety and health • Environmental management • Social participation • Voluntary services for social benefit 	<ul style="list-style-type: none"> • Service centers in industrial parks---services provided irregularly • Joint efforts to prevent impact of disasters on neighborhoods of industrial parks---once every quarter • Communication mailbox at the company's website---for use irregularly • Employees' voluntary work for social benefit---activities held every quarter • Contact window:(PR) pr@teco.com.tw 	<ul style="list-style-type: none"> • No violations of regulations on air pollution and waste disposal as well as no events with negative impact on neighboring communities • Participation in joint efforts and cooperation with other companies stationed in industrial parks to prevent impact of disasters on residential communities neighboring industrial parks • Energy-saving education totaling 600 man-hours was offered for local communities and schools
NGO (non-governmental organization)	<ul style="list-style-type: none"> • Environmental protection • Social benefit • Labor conditions 	<ul style="list-style-type: none"> • 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 • Greenhouse gas inventory---the company passes BSI (British Standards Institution) ISO 14064-1 verification to obtain reasonable level of assurance every year • Contact window:(IR) ir@teco.com.tw 	<ul style="list-style-type: none"> • Active participation in external organizations and advocacy to support goals of sustainable development and government policies • Invited a total of 80 children from Taipei TFCF center, New Taipei TFCF Center, Wanhua Children Service Center, and Jiuru Community Development Center to participate in the TECO charity Games, and donated 116,000 NTD to these four groups

Stakeholder	Issue	Communication Channel	Communication Result
Government agency	<ul style="list-style-type: none"> Regulatory compliance Occupational safety and health Reduction in greenhouse gas emission Environmental protection Energy management 	<ul style="list-style-type: none"> Irregular attendance in symposiums and public hearings on regulations held by authorities concerned Promotion of compliance with latest anti-corruption regulations and rules of faithful operation at employees' meetings---once every quarter Contact window:(Spokesperson) speaker@teco.com.tw 	<ul style="list-style-type: none"> Market Observation Post System at Taiwan Stock Exchange--Over 375 updates of information in 2019 (26 material information declarations) Pursuant to OHSAS (Occupational Health and Safety Assessment Series) 18001 and CNS 15506 under Taiwan Occupational Safety & Health Management System (TOSHMS), the company has set up an OSHMS for efficient management to secure employees' occupational safety and health

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	1	
Independent Director	Ting-Wong, Cheng	v	v	v	v	v	v	v	v	v	v	v	v	v	v	2	
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 27 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 (A) in the recent year. The attendance and qualifications of committee members follow:

Title	Name	Number of attendance (B)	Number of attendance 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 2019					
Compensation committee	Subject of communication		Communication Result		
4-2 (2019.3.19)	Remuneration to employees in 2018		Approved, subject to final decision at directors of board's meeting		
	Remuneration to director of board in 2018		Approved, subject to final decision at directors of board's meeting		
	Remuneration Proposal of Hank Horng, Assistant Vice President, the Global Sales and Operation Center of the Electrification Product Division		Approved, subject to final decision at directors of board's meeting		
4-3 (2019.12.17)	Report on distribution of remuneration to executive manager in 2018		Ratification		
	Distribution of 2019 year-end bonuses among employees		Ratification		
	The implementation results and plan of the company's employee shareholding trust		Approved, subject to final decision at directors of board's meeting		

3.3.5 Social Responsibility

Fulfillment of social responsibility: The company's system, measures, and fulfillment for events related to social responsibility, including environmental protection, communal participation, social contribution, social services, public benefits, consumer rights, human rights, and security and hygienic.

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. .	No difference
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	No difference
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 b. 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 using environmentally friendly refrigerants, which greatly reduces refrigerant greenhouse gas emissions from manufacturing, product services and scrap end; from all aspects of efforts to reduce the impact on the environment.	No difference

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 noticed the effect of climate change on its business activities, conducted check on greenhouse gases, and formulated strategy on energy conservation and carbon/greenhouse gases abatement.</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>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, and 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 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>	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 with equal pay, 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 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 (OHSAS 18001 / 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</p>	No Difference

Items	Implement Status			Difference with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Company” and reasons
	Yes	No	Summaried Explanation	
<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>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?</p>			<p>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", taking into account management ability, professional ability, general knowledge and company policy advocacy. In addition to establishing a training blueprint according to grade, annual employee training needs surveys are conducted, and each indirect employee will make a personal development plan (IDP) plan, so that each colleague can better discuss his career development with the supervisor so that colleagues with excellent performance and potential have the opportunity to be promoted.</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 register and complete after-sales service to protect the rights and interests of consumers.</p> <p>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.</p>	
<p>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?</p>	V		<p>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.</p>	No difference

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

G. 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, organizes the "Green Tech" international competition, extends the company's vision of "energy saving, emission reduction, intelligence, and automation" to encourage young students to invest in energy saving Carbon science and technology research; held the TECO Award for the 26th consecutive year (1994 ~ 2019), in the four major "technology" and "electricity / information / communications, machinery / energy / environment, chemical industry / materials, biology / medical industry / agriculture" There are nearly 145 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.
<http://teco.com.tw/csr>

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	
<p>A. Formulate policy and program for ethical corporate management</p> <p>a. Whether the company has explicitly express 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>b. Whether the company has established an assessment mechanism for the risk of dishonesty, regularly analyzes and evaluates business activities with a high risk of dishonesty in the business scope, and accordingly formulates a plan to prevent dishonesty, 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>	V		<p>a.</p> <p>i. The company has yet to formulate “Ethical Corporate Management Best Practice Principles” on August 14 in 2014, announced and carried out “The Principle of Antitrust” on October 1 in 2015, amended “Rules of Ethical Conduct to Directors and Managers” on March 20 in 2015. The company’s directors and management have been cautiously fulfilling their duties in compliance with the obligation of attention of a prudent administrator. The company has disclosed Rules of Faithful Operation and Standards for Directors' and Executive Managers' Ethic Behavior at its website. The company in August 2018 prepared an organization chart for Committee on Corporate Governance and Sustainability and later in the month established the committee. 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 faithful operation. There are at least two committee meetings a year and the company's Legal & Compliance Division has to report what has been done on faithful operation.</p> <p>ii The company has invited each director and senior management personnel to sign a statement of integrity from November to December 2019, and actively implement the commitments of the operating policy.</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 ", of which Article 7 has cooperated with the requirements of the competent authority to expressly stipulate that "the company should establish a risk assessment mechanism for dishonesty, regularly analyze and evaluate business activities with a high risk of dishonesty in the business scope, formulate a preventive plan and regularly review the appropriateness and effectiveness of the preventive plan. "And, established the above mechanism in 2020 to periodically analyze and evaluate</p>	No major difference

Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summaried Explanation	
<p>c. Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?</p>			<p>Business activities with a high risk of dishonesty in the business scope. In addition, the company formulated the "Code of Conduct and Operational Procedures and Guidelines for Integrity" on November 16, 2017 (amended on March 17, 2020) to prevent dishonest behaviors. It covers the precautionary measures of the second paragraph of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies".</p> <p>c. i. The "Code of Conduct and Integrity Management Procedures and Conduct Guidelines" formulated by the company on November 16, 2017 expressly prohibits employees from accepting gifts from individuals who have business dealings with the company without the permission of their supervisor. Gifts with a value of NT \$ 3,000 or more should be returned or rejected to those who have an interest in their duties, and report to their direct supervisors and inform the company's responsible unit. , Paid acceptance, return to business, donation to charity or other appropriate suggestions ii. On December 23, 2016, the company has set up "Measures for Reporting Cases of Illegal and Unethical or Dishonest Conduct" to establish internal and external reporting channels and handling systems iii. In order to implement the implementation of integrity management, the company also set up the law compliance and legal affairs department attached to the board of directors as the integrity management promotion unit, responsible for promoting the integrity management policy and prevention plan, and implementing it. The audit team of the board of directors irregularly checks and continuously tracks and improves the implementation. In addition, it is regularly reviewed, and in accordance with the decree of the board of directors on March 17, 2020, the board of directors passed a resolution to amend the "Code of Conduct and Integrity Management Procedures and Conduct Guidelines "</p>	
<p>B. Materialize ethical corporate management 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>	V		<p>a. The Company's Board of Directors' legal & compliance office 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>	No major difference

Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summaried Explanation	
<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 dishonest 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 under its entrustment.</p> <p>e. Whether the company had held internal or external education and training regularly on ethical corporate management.</p>			<p>b. The company has established the Board of Directors' legal & compliance office to promote dedicated units for the formulation of integrity management policies and prevention plans. He regularly reports to the board of directors every six months. He reported the annual work plan and its implementation during the corporate governance and sustainability committee discussion on January 24 and August 7, 2019, as well as report to the board meeting on March 26 and August 24 2019.</p> <p>c. The company has formulated "behavioral guidelines," 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 "measures for handling reports on illegal, unethical, or dishonest behaviors." For the accused, it also provides the opportunity to express their opinions or appeal.</p> <p>d. To assure the materialization of ethical corporate management, the company has instituted effective accounting system and internal-control system, with in-house auditors checking their compliance regularly.</p> <p>e. The company conducts decree education and advocacy for directors, managers and employees at least once a year. The company has conducted relevant educational announcements on current directors, managers and legal representatives of related companies on 2019.8.14 and 2019.12.24. Course contents include "Shareholder Actionism and Unconsensual M & A", "Money Laundering Prevention and Trade Sanctions" (Sino-US trade war) "and examples of insider trading, etc. Internal education and training courses such as training of new recruits and new supervisors are held regularly every year, and at the same time, it promulgates the " Ethical Corporate Management Best Practice Principles " and "code of conduct and integrity management operation procedures and behavior guidelines" and other standards of integrity management. After proclaiming business integrity at the quarterly meeting (179 participants) on February 18, 2019, the company launched an online test for 9 grades with passing score of 80. As of July 2, 2019, 177</p>	

Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summaried Explanation	
			<p>candidates should attend, Of the 163 who takes the exams, 162 passed, 92.1% attendance rate, 99.4% pass rate, and an average of 93.2 points. After proclaiming integrity management + part-time work at the quarterly meeting (192 participants) on May 24, 2019, conducted online tests for 7-8 grade staff and passed the standard with passing score of 80. As of October 18, 2019, a total of 568 people at the 7-8 grade; 481 attend the exam (84.68%). 474 people passed (pass rate 98.54%); Held a course on "Introduction to Money Laundering Prevention Laws and Practical Practices in the Prevention of Trade Laundering" on May 31, 2019 (32 participants); On August 21, 2019, the Chungli Factory morning meeting (approximately 700 people participated) promoted integrity management, and conducted a paper test on the Chungli factory area. 818 people attends(93.49%), 815 people passed, passing rate 99.63%; on September 10, 2019, 5-6 grades of the whole company are invited to start online tests. Up to December 12, 2019, a total of 837 people at 5-6 grades, 568 people attends the exam (67.86% attendance rate), and 560 passed (98.6% of the pass rate).</p>	
<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 "measures for handling reports on illegal, unethical, or dishonest behaviors," containing ethical norms for staffers, and has instituted reporting e-mail address integrity@teco.com.tw with the audit division</p> <p>b. For Procedures for Handling Cases of Reported Illegal, Unethical or Unfaithful Behavior, Articles 3 and 4 specify channels of reporting and handling procedures while Provision 5 under Articles 4 specifies secrecy mechanism that keeps the reporters or responsible investigators and content of reporting secret to prevent them from unfair treatment or revenge.</p> <p>c. Provision 5 under Articles 4 of Procedures for Handling Cases of Reported Illegal, Unethical or Unfaithful Behavior specifies secrecy mechanism that protects the reporters or responsible investigators and content of reporting from unfair treatment or revenge.</p>	No major difference
<p>D. Intensifying information disclosure</p> <p>a. Whether the company has disclosed its "Ethical Corporate Management Best Practices Principles" on its website and the implementation effect.</p>	V		<p>a. The company has disclosed information related to "Ethical Corporate Management Best Practice Principles" on website, and disclosed the operation situation in year book and CSR Report.</p>	No major difference

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, 2020, amended the "Code of Conduct and Integrity Management Procedures and Conduct Guidelines"

3.3.7 Corporate Governance Guidelines and Regulations

The company has instituted “Corporate Governance Best Practice Principles”. The document could be accessed “Corporate 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 in 2019:

Title	Name	Date	Organizer	Training Course	Time
Chairman	Tung Kuang Investment Co., Ltd. Representative : Chwen-Jy, Chiu	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Managing Director	Tong Kuang Investment Co., Ltd Representative : Chao-Kai, Liu	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Managing Director	Cheng-Tsung, Huang	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Managing Director	Creative Sensor Inc. Representative: Yu-Ren, Huang	2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
		2019.12.27	Accounting Research and Development Foundation	Independent Director and Audit Committee Operation Practice	3 hrs
Managing & Independent Director	Wei-Chi, Liu	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Independent Director	Ting-Wong, Cheng	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Independent Director	Jin-Fu, Chang	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Director	Mao-Hsiung, Huang	2019.4.17	Securities & Futures Institute	Discussion on Relevant Regulations and Preventive Practices of Insider Trading	3 hrs
		2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3hrs

Title	Name	Date	Organizer	Training Course	Time
Director	Yinge Int. Inv. Co.,Ltd Representative : Po-Chih, Huang	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
		2019.11.27	Chunghwa Corporate Governance Association	【peak】 The 15th International Forum on Corporate Governance-Implementation of Independent Director System and Performance of Independent director' s responsibilities (Afternoon Session)	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih-Chien, Yang	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Director	Tung Kuang Investment Co., Ltd. Representative : Hong-Hsiang, Lin	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Director	Yubantec & Co., Ltd. Representative: Tung-Hai, Kao	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.10.8	Taipei Exchange	ESG investment forum	3 hrs
		2019.11.19	Taiwan Stock Exchange	Publicity meeting for effective use of directors' functions	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Director	Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo	2019.7.26	Securities & Future Insititule	2019 Annual Public Announcement Meeting on the Legal Compliance of Listed Companies and Unlisted Cabinet Public Offering Companies	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Director	Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Director	Yung-Hsiang, Chang	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs

C. Advanced studies for managing staffers in 2019:

Title	Name	Date	Organizer	Traning course	Time
Acting President	Chao-Chih,Lien	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Executive Consultant	Hong-Hsiang, Lin	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs

Title	Name	Date	Organizer	Traning course	Time
Assistant Vice President	Sung-Pin, Chang	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Assistant Vice President	Chi-Tseng, Peng	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Assistant Vice President	Fei-Yuan, Kao	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Assistant Vice President	Kevin Yeh	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Assistant Vice President	Kuo-Min, Chen	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
Assistant Vice President	Hank Horng	2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	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
		2019.11.27	Chunghwa 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

D. The situation of resignation in the Company: None

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, taking into account 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 "Tung Yuan College" 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 general manager in 2018.

3.3.9 Internal Control System

Please refer to page 63 of the Chinese annual report.

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

2019/03/26	<p>(1)The board of directors resolved to convene 2019 shareholders' meeting on June 14, 2019.</p> <p>(2)The Board of Directors resolved 2018 financial statements with consolidated sales revenue NT\$50,104,927 thousand, EPS 1.59, and plans to pay cash dividend NT\$0.9 per share with the total amount NT\$ 1,770,923 thousand. The related financial reports material would be submitted to 2019 shareholders' meeting.</p> <p>(3) The board of directors approved employees' bonus of NT\$ 255,103 thousand and directors' remuneration of NT\$113,379 thousand in 2018. The above amount will be distributed through cash. There is no difference from the expense amounts in 2018 recognized by the board of directors.</p>
2019/5/13	The board of directors approved the reduction of the total amount of 35,000,000 shares of treasury shares in accordance with the provisions of Article 28-2 of the Securities Exchange Act. The capital reduction ratio was 1.75%.
2019/5/13	Board of Directors appoints Shih-Hsiung, Chien as corporate governance officer, effective date is 108/06/01
2019/5/13	Submission of 2019 Q1 consolidated financial report to the board of directors, which shows that consolidated operating revenue stood at NT\$11,707,047 thousand in the first quarter of 2019, with earnings per share reaching NT\$0.32.
2019/6/15	<p>Important resolutions in Annual Shareholders' Meeting</p> <p>(1) Acknowledged 2018 business report and financial statement.</p> <p>(2) Acknowledged 2018 profit distribution, amounting to NT\$0.9 per share for cash dividend payment.</p> <p>(3) Amendmen to Articles of Incorporation</p> <p>(4) Amendment to Procedure of acquisition or disposal of assets</p>
2019/6/15	The board of directors resolved that the ex-dividend base date was 2019/07/09, a total cash dividend of NT \$ 1,770,923 thousand was issued, and the cash dividend payment date was 2019/07/31
2019/8/14	Submission of 2019 Q2 consolidated financial report to the board of directors, which shows that consolidated operating revenue stood at NT\$24,248,557 thousand in the first half of 2019, with earnings per share reaching NT\$0.92.
2020/2/24	The board of directors resolved to convene 2020 shareholders' meeting on May 11, 2020
2020/3/17	<p>(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.</p> <p>(2)The Board of Directors resolved 2019 financial statements and submitted to the shareholders' meeting for ratification.</p> <p>(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.</p> <p>(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.</p> <p>(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 2008, the amendment to the "Corporate Social Responsibility Best Practice principle" and the amendment to the "Code of Conduct and Integrity Operation Procedures and Guidelines" ; (2) Two items for discussion: the amendments to the "Procedures for Lending Funds tp 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</p>
2020/3/31	<p>(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.</p> <p>(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</p>
2020/4/6	<p>(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.</p> <p>(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 tp 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.</p>
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 tp 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.

B. Implementation of Resolutions made in Annual Shareholders' Meeting on June 14, 2019.

Number	Resolution	Implementation
	Report on treasury share buyback	Treasury share buyback 35,000,000 common stocks for the purpose of safeguarding company credit and shareholders' rights. The Ministry of Economic Affairs approved the cancellation of treasury stocks capital reduction changes and registered it in the letter No. 10801066450 of Shushangzi on 2019/06/10
1	Acknowledged of the 2019 Business Report and Financial Statements	※ The proposal was approved by the participating Shareholders with 90.45% approved percentage.
2	Acknowledged of cash dividend payout of NT\$0.9 per share for the distribution of 2018 profits.	1. The proposal was approved by the participating Shareholders with 90.76% approved percentage. 2. Ex-Dividend Trading Date: 2019/07/09. Cash Dividend Payout date: 2019/07/31.
3	Approval of Amendment to Articles of Incorporation	The proposal was approved by the participating Shareholders with 89.55% approved percentage.
4	Approval of Amendment to Procedure of acquisition or disposal of assets	The proposal was approved by the participating Shareholders with 89.55% 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

None

3.4 Information on CPA fee

3.4.1 Accountant Information

Name of accounting firm	CPA names		Auditing period	Note
Pricewaterhouse Coopers, Taiwan	Wu, Yu-Lung	Chou, Chien-Hung	2019	

3.4.2 Table of Brackets for CPA Fees

Fee brackets		Fee item	Auditing fee	Non-auditing fee (Note)	Total
1	Lower than NT\$2 M.			V	V
2	NT\$2-4 M.				
3	NT\$4-6 M.				
4	NT\$6-8 M.				
5	NT\$8-10 M.				
6	NT\$10 M. and higher		V		V

Note: NT\$1,050 thousand of non-auditing public expense, including certification expense for auditing business income tax return and English-language translation fee for financial report and consolidated financial report.

3.4.3 Non-inspection fees for CPAs, accounting firms, and its affiliates account for over one quarter of inspection fee: Nil

3.4.4 Replacement of accounting firm and auditing fee for the replacement year is lower than amount in the year prior to the replacement: Nil

3.4.5 Auditing fee decreases by over 15% from the previous year: Nil

3.5 Information on replacement of CPA: Not applicable

3.6 Information on service of the company's chairman, president, and financial or accounting managers at the accounting firm or its affiliates: Nil

3.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

3.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

3.7.1.1 Changes in Shareholding of Directors

Unit: Share

Title	Name	2019		Mar. 31, 2020	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Tong Kuang Investment Co., Ltd. Representative: Chwen-Jy, Chiu	0	(492,088)	1,800,000	0
		0	0	46,143	0
Managing Director	Tong Ho Gloabal Investment Co., Ltd. Representative : Chao-Kai, Liu	0	0	0	365,000
		0	0	0	0
Managing Director	Cheng-Tsung, Huang	0	0	0	0
Managing Director	Creative Sensor Inc. Representative: Yu-Ren, Huang	0	0	0	0
		0	0	0	0
Managing & Independent Director	Wei-Chi, Liu	0	0	0	0
Independent Director	Jin-Fun, Chang	0	0	0	0
Independent Director	Ting-Wong, Cheng	0	0	0	0
Director	Mao-Hsiung, Huang	0	0	0	0
Director	Yinge Int. Inv. Co.,Ltd Representative : Po-Chih, Huang	4,375,098	0	0	0
		(4,270,085)	0	0	0
Director	Hung Shun Investment Co., Ltd Representative:Tzu-Yi, Kuo	0	0	500,000	0
		0	0	0	0

Title	Name	2019		Mar. 31, 2020	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao	0	0	0	(16,561,052)
		0	0	0	0
Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih-Chien, Yang	0	0	4,800,000	3,500,000
		0	0	0	0
Director	Tong Kuang Investment Co., Ltd. Representative: Hong-Hsiang, Lin	0	(492,088)	1,800,000	0
		0	0	20,920	0
Director	Yubantec & Co., Ltd. Representative: Tung-Hai, Kao	0	0	6,600,000	8,000,000
		0	0	0	0
Director	Yung-Hsiang, Chang	0	0	0	0

3.7.1.2 Changes in Shareholding of Managers

Unit: Share

Title	Name	2019		Mar. 31, 2020	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Acting President	Chao-Chi, Lien	0	0	46,143	0
Executive Consultant	Hong-Hsiang, Lin	0	0	20,920	0
Management	Sheng-chyuan, Lin	706	0	30,938	0
Management	Sung-Pin, Chang	(5,000)	0	46,143	0
Management	Chi-Tseng, Peng	0	0	0	0
Management	Fei-Yuan, Kao	0	0	42,412	0
Management	Kevin Yeh	0	0	46,143	0
Management	Kuo-Min, Chen	0	0	0	0
Management	Hank, Horng	0	0	13,316	0
Management	Shih hsiung, Chien (Note)	0	0	36,932	0

Note: The board of directors has been appointed as the corporate governance officer since June 1, 2019 and has been registered as a company manager

3.7.1.3 Changes in Shareholding of Major Shareholders

Unit: Share

Title	Name	2019		Mar. 31, 2020	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major Shareholder	PJ Asset management Co., Ltd.(Note)	N/A	N/A	79,381,000	0

Note: Became a major shareholder since Mar., 11, 2020

3.7.2 Shares Transfer with Related Parties

Name	Reason of Transfer	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Transaction Price (NTD)
Po-Chih, Huang	Disposal (exchange shares for price)	2019.1.23	YINGR Int. Inv. Co., Ltd.	Director holds it under the name of third party	4,270,085	18.1

3.7.3 Shares Pledged with Related Parties

Name	Reason of Pledge	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Shares holding %	Shares Pledged %	Pledged Amount
Not Applicable								

3.8 Information Disclosing the Relationship between any of the Company's Top Ten Shareholders

March 31, 2020

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
PJ Asset Management	194,116,000	9.87	0	-	0	-	None	-	-
Jaryuan Investment Co., Ltd.	127,194,000	6.46							
Silchester International Investors International Value Equity Trust	77,896,000	3.96	0	-	0	-	None	-	-
WGI Emerging Markets Smaller Companies Fund, LLC	39,676,000	2.02	0	-	0	-	None	-	-
Silchester International Investors International Value Equity Group Trust	39,186,000	1.99	0	-	0	-	None	-	-
Tong Kuang Investment Co., Ltd.	32,141,364	1.63	0	-	0	-	None	-	-
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	31,599,034	1.61	0	-	0	-	None	-	-
Chunghwa Post Co., Ltd.	31,561,000	1.60	0	-	0	-	None	-	-
Norges Bank	28,088,193	1.43	0	-	0	-	None	-	-
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	27,144,000	1.38	0	-	0	-	None	-	-

3.9 Long-Term Investments Ownership

December 31, 2019

Investee	Ownership by TECO		Direct / Indirect Ownership by Directors, Supervisors and Management		Total Investment	
	Shares	%	Shares	%	Shares	%
Tong Dai Co., Ltd.	6,615,234	83.53%	0	0.00%	6,615,234	83.53%
TECO International Investment Co., Ltd.	67,537,429	100.00%	0	0.00%	67,537,429	100.00%
TECO Holding, USA	1,680	100.00%	0	0.00%	1,680	100.00%
TECO Electric & Machinery Pte Ltd. Singapore	7,200,000	90.00%	800,000	10.00%	8,000,000	100.00%
TECO Electric Europe Ltd.	69	100.00%	0	0.00%	69	100.00%
Tong An Assets Management & Development Co., Ltd.	388,423,711	100.00%	0	0.00%	388,423,711	100.00%
Appliance (HK) Ltd.	1,499,999	99.99%	0	0.00%	1,499,999	99.99%
Tong An Investment Co., Ltd.	495,724,243	99.60%	1,670,084	0.40%	497,394,327	100.00%
TECO Electro Devices Co., Ltd.	10,770,864	62.57%	371,324	1.51%	11,142,188	64.08%
Tecnos International Consultant Co., Ltd.	6,044,716	57.52%	1,402,134	16.02%	7,446,850	73.54%
UVG Investment Co., Ltd.	195,416,844	100.00%	0	0.00%	195,416,844	100.00%
Information Technology Total Services Co., Ltd.	11,467,248	41.97%	1,923,503	7.04%	13,390,751	49.01%
Tesen Electric & Machinery Co., Ltd.	20,000,000	100.00%	0	0.00%	20,000,000	100.00%
GD TECO Taiwan Co., Ltd.	6,397,434	100.00%	0	0.00%	6,397,434	100.00%
Taitec Technology CO.,LTD.	950,000	95.00%	0	0.00%	950,000	95.00%
Yatec Engineering Corp.	7,799,996	64.95%	0	0.00%	7,799,996	64.95%
Taian (Subic) Electric Co., Inc.	17,131,155	76.70%	0	0.00%	17,131,155	76.70%
Taian (Malaysia) Electric Sdn. Bhd.	13,113,235	66.85%	0	0.00%	13,113,235	66.85%
An Tai International Investment Co., Ltd.	32,653,581	100.00%	0	0.00%	32,653,581	100.00%
Micropac (BVI)	14,883,591	100.00%	0	0.00%	14,883,591	100.00%
Taian-Etacom Technology Co., Ltd.	7,033,000	84.73%	0	0.00%	7,033,000	84.73%
Taian Electric Co., Ltd.	100,000	100.00%	0	0.00%	100,000	100.00%
Tecom	200,301,025	63.52%	0	0.00%	200,301,025	63.52%
E-Joy International Co., Ltd.	9,500,000	93.60%	497,350	4.90%	9,997,350	98.50%
A-Ok Technical Co., Ltd.	1,950,000	86.67%	0	0.00%	1,950,000	86.67%
TECO Technology (Vietnam) Co., Ltd.	29,013,668	100.00%	0	0.00%	29,013,668	100.00%
TECO (Philippines) 3C & Appliances, Inc.	2,604,000	60.00%	0	0.00%	2,604,000	60.00%
An-Sheng Travel Co., Ltd.	480,000	16.00%	2,400,000	80.00%	2,880,000	96.00%
Taiwan Pelican Express Co., Ltd.	24,121,700	25.27%	6,570,940	6.88%	30,692,640	32.15%
Eagle Holding Co.	1	100.00%	0	0.00%	1	100.00%
Century Development	100,592,884	28.67%	73,736,289	24.08%	174,329,173	52.75%
Teco Sun Energy	2,100,000	30.00%	2,100,000	30.00%	4,200,000	60.00%
Temico Inteernational Pte. Ltd.	348,000	60.00%	0	0.00%	348,000	60.00%
TECO EV Philippines Corporation	53,999,995	100.00%	0	0.00%	53,999,995	100.00%

3.10 Procedure of Material Information: The company has stipulated Rules of Anti Insider Transaction in internal control system, and announced to the employees.