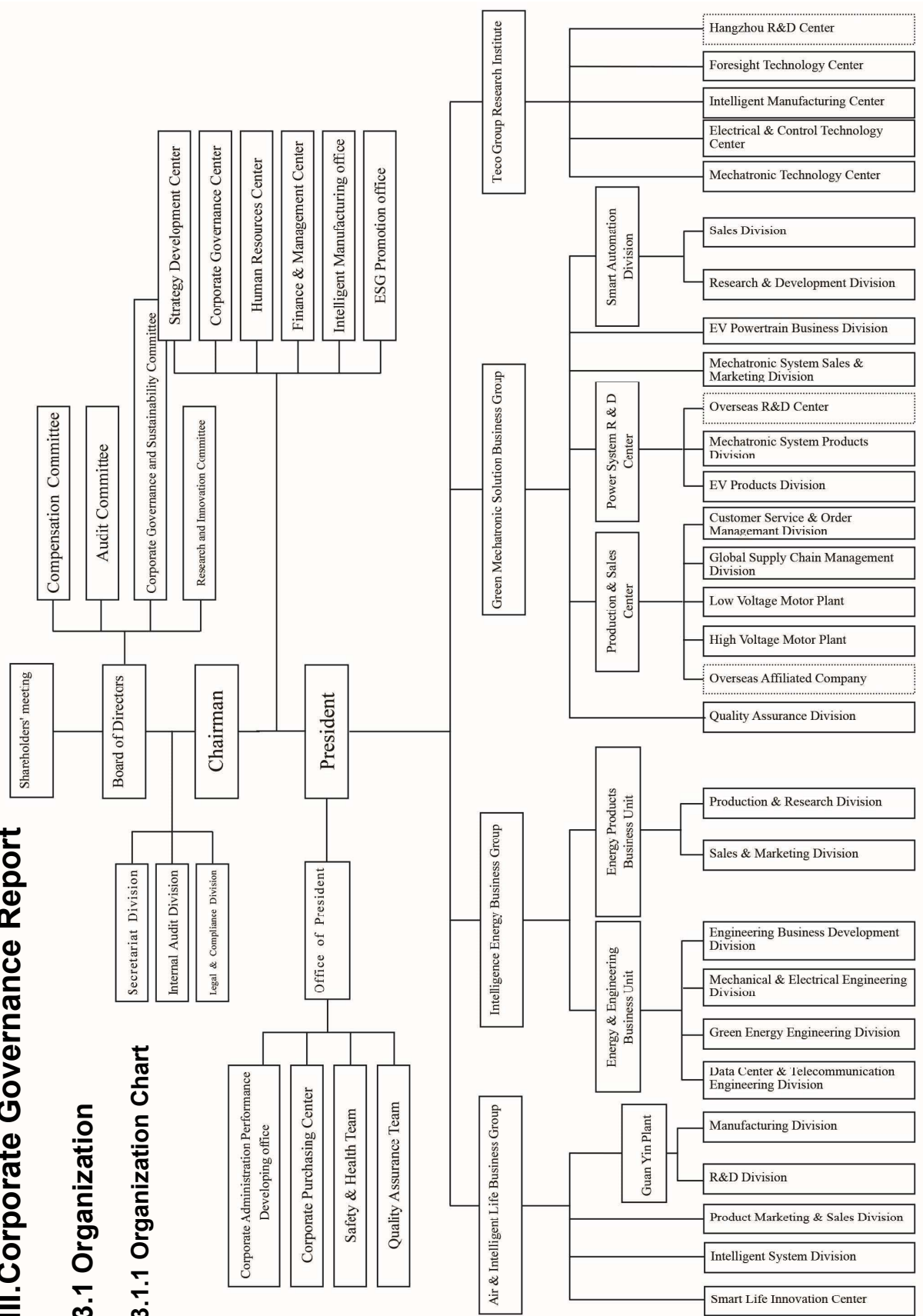


### III. Corporate Governance Report

#### 3.1 Organization

##### 3.1.1 Organization Chart



### 3.1.2 Major Corporate Functions

Business Unit	Operations
Green Mechatronic Solution	Production of 1-phase motors, vehicle-used motors, permanent-magnet motors, 3-phase motors, iron and steel casting, high-efficiency motors, anti-explosive motors, inverter-duty motors, DC motors, generators, inverters, programmable logic controllers, servo controllers and other products, production and sales of AGV (automated guided vehicle) and other products.
Intelligence Energy	<p>Supplier of profession electric equipment and systems-related materials (R&amp;D, design, production, and sales of equipment)</p> <p>Undertaking of projects related to power generation and transportation (transmission &amp; distribution of power, power plant, alternative energy, and construction and maintenance of rail stations and airports, as well as railway power system);</p> <p>Air-conditioning equipment for specific environments such as clean rooms;</p> <p>Design, construction and management of electrical engineering systems for high-rise buildings.</p> <p>Design, construction and management of engineering for IDC plants.</p> <p>Offshore wind power substation project.</p> <p>integration of air-conditioning and electrical engineering systems for hospitals and hotels;</p> <p>Water resource/water pump stations and other related projects;</p> <p>Ultra-high pressure 161KV/69KV substations switchgears and installation projects.</p> <p>Project of smart grid and energy storage; system integration nosiness of solar power system;</p> <p>Production and sale of electromagnetic switch, molded- case circuit breakers and electronic relays</p>
Air and Intelligent Life	<p>Production, assembly, sales, and repair of residential air conditioners, refrigerators, washing machines, dehumidifiers, dryers, LCD monitors, home appliances, seasonable appliances, beauty appliances, kitchen 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.</p> <p>Chip-embedded cards for financial, e-banking, medical, membership loyalty, surveillance, e-invoice, and public transportation services; systems integration for ITS- and RFID-based cards; non-person vending machine.</p>
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.

## 3.2 Directors and Management Team

### 3.2.1 Directors

March 31, 2022

Title	Nationality/ Companies Registry	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship	
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Relation
Chairman	ROC	Tung Kuang Investment Co., Ltd.		2021.7.23	3	2000.4.21	31,991,364	1.50%	31,991,364	1.50%	0	0%	0	0%	MBA, University of Michigan, Ann Arbor	Chairman of Taiwan Pelican Express Co., Ltd & Motovario SpA ...	-	-
	ROC	Representative: Chwen-Jy Chiu	Female 61~70	2021.7.23	3	2006.6.15	0	0%	2,088,107	0.10%	16,987	0.00%	0	0%				
Director	ROC	Tong Ho Global Investment Co., Ltd		2021.7.23	3	2000.4.21	2,240,262	0.10%	2,240,262	0.10%	0	0%	0	0%	Bachelor of Economics, Fu Jen Catholic University	Chairman of Sen Yeh Construction Co., Ltd. Independent Director of Autotek Corporation	-	-
		Representative: Cheng-Tsung Huang (Note 1)	Male 61~70	2021.7.23	3	1991.5.8	0	0%	15,279,849	0.71%	2,110,934	0.10%	0	0%				
Director	ROC	Show-Shoun Chou	Male 51~60	2021.7.23	3	2021.7.23	0	0%	10,000	0.00%	0	0%	0	0%	PhD of Policy Analysis and Administration, Cornell University	Chairman of Yu Shan Entertainment Cooperation CO., Ltd. Director of National Policy Foundation	-	-
Director	ROC	Ho Yuan International Investment Co., Ltd.		2021.7.23	3	2021.7.23	23,467,000	1.10%	45,701,000	2.14%	0	0%	0	0%	Master of Public Administration, National Chengchi University	Supervisor of PJ Asset Management	-	-
	ROC	Representative: Pen-Ching Cheng	Male 61~70	2021.7.23	3	2021.7.23	0	0%	0	0%	1,657	0.00%	0	0%				
Director	ROC	Yingde Int. Inv. Co., Ltd		2021.7.23	3	2018.6.15	14,454,698	0.68%	22,554,698	1.05%	0	0%	0	0%	Master of Science, University of Warwick	Chairman of Yingde Int. Inv. Co., Ltd Director of Ta Hong Machinery Co., Ltd.	-	-
	ROC	Representative: Li-Chong Huang	Male 41~50	2021.7.23	3	2021.1.1	0	0%	0	0%	0	0%	0	0%				
Director	ROC	Creative Sensor Inc.		2021.7.23	3	2009.6.19	77,519,000	3.62%	77,519,000	3.62%	0	0%	0	0%	PhD in Electrical Engineering and Computer Science, Massachusetts Institute of Technology	Director and President of Universal Cement Corporation Director of Taiwan Spinning Co., Ltd.	-	-
	ROC	Representative: Johnson Hou (Note 2)	Male 31~40	2021.7.23	3	2021.7.23	0	0%	0	0%	0	0%	0	0%				


Title	Nationality/ Companies Registry	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	ROC	Song-Ren Fang	Male 51-60	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	PhD of Material Science and Engineering, Stanford University, US	Chairman of Darwin Venture Management Independent Director of Scientech Corporation			
Independent Director	ROC	Wei-Chi Liu	Male 61-70	2021.7.23	3	2018.6.15	0	0	0	0	0	0	0	0	PhD of Business Administration, Northwestern University	Independent Director of Fusheng Precision Co., Ltd and An-Shih Food Co., Ltd.	-	-	-
Independent Director	ROC	Hsieh-Hsiung Huang	Male 51-60	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	Master of Laws Program for Executive, National Chengchi University Master of Business Management, National Sun Yat-sen University	Chairman of Chungsun Prime Certified Public Accountants Independent Director of China Airlines Ltd.	-	-	-
Independent Director	ROC	Li-Chen Lin	Female 61-70	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	Master of Business Administration, Tulane University	Director of PCL TransAsia Law Offices Director of CPC Corporation, Taiwan	-	-	-
Independent Director	ROC	Shiang-Chung Chen	Male 51-60	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	Bachelor of Industrial Engineering, Purdue University	Chairman of Mercuries Data Systems Ltd. Independent Director of Walsin Lihwa Corporation			

Note 1: The representative of Tong Ho Global Investment Co., Ltd changed from Mao-Hsiung Huang to Cheng-Tsung Huang on October 1<sup>st</sup> 2021.

Note 2: The representative of Creative Sensor Inc. changed from Yu-Ren Huang to Johnson Hou on December 30<sup>th</sup> 2021.

### Information disclosure of Director qualifications and independence of independent directors

Criteria	Professional Qualification and Experience	Independence Criteria(Note 1)											Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		1	2	3	4	5	6	7	8	9	10	11	
<p>Name</p> <p>Tung Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu</p> <p><input checked="" type="checkbox"/> Convener <input checked="" type="checkbox"/> Committee members (Note2)</p>	<p>After graduating from the College of Commerce, National Taiwan University, Ms. Chwen-Jy Chiu subsequently obtained a master degree in accounting from National Chengchi University and an MBA degree from the University of Michigan.</p> <p>Ms. Chiu has over 30 years work experience. She once served as vice president in charge of business at the Taipei branch of ABN AMRO. Since joined the TECO management team in 1997, she served at TECO such stints as director of the financial department, assistant vice president of the home-appliance division, vice president and president. She became TECO's chairman in 2015, putting forth the objective of "energy conservation, emissions reduction, smart application and automation", leading the company in march towards Industry 4.0. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	V		V	V	V	V		V	V	V		0
<p>Tong Ho Global Investment Co., Ltd Representative: Cheng-Tsung Huang</p>	<p>Graduated from economics department of Fu Jen Catholic University, Mr. Huang has over 30 years of work experience. He once served as President of Importers and Exporters Association of Taipei (2012-2018) and President of Taiwan Business Council for Sustainable Development (2015-2021). Now, he is appointed as chairman of Sen Yeh Construction Co., Ltd. and independent director of Aureteck Corp.</p> <p>Mr. Huang is proficient in electric vehicle, smart automation, smart city, new energy, land development, corporate operation leadership, international marketing and sales, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	V		V	V	V	V	V	V	V	V		1
<p>Show-Shoun Chou</p> <p><input checked="" type="checkbox"/> Committee members <input checked="" type="checkbox"/> Committee members</p>	<p>With a PhD of management in policy analysis and administration from Cornell University, US, Mr. Chou who served in the Legislative Yuan from 2005 to 2012 and vice chairman of ADATA Technology (2012-2017). Now, he is appointed as the consultant of the Legislative Yuan, chairman of Yu Shan Entertainment Cooperation Co., Ltd., director and CEO of National Policy Foundation.</p> <p>Mr. Chou has the diverse professional background in electric vehicle, smart city, corporate operating leadership, government policy and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	V	V	V	V	V	V	V	V	V	V	V	0
<p>Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng</p>	<p>With Master of Public Administration from National Chengchi University, Mr. Cheng has over 30 years work experience. He once served as commissioner, Department of Personnel, Taipei City Government (retired in 2021), secretary to director and director of Directorate-General of Personnel Administration, Executive Yuan and director of Shin Shin Natural Gas Co., Ltd. (2012-2015). Now, he is supervisor of PJ Asset Management Co.</p> <p>Mr. Cheng excels in organizational portfolio, government policy, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	V	V	V	V		V	V	V	V	V		0

Criteria	Professional Qualification and Experience	Independence Criteria(Note 1)											Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		1	2	3	4	5	6	7	8	9	10	11	
Name Ying Int. Inv. Co., Ltd Representative: Li-Chong Huang	With the Master of Science in IT and manufacturing from University Warwick, he has over 20 years of work experience. He once worked with HP, China InfoSystems Architect IV and IBM, GBS, Taiwan Business Consultant. He served as special assistant for president office at TECO Electric & Machinery Co., Ltd. from 2010. Now he is chairman of Ying Yi International Investment Co., Ltd. and director of Da Hong Machinery Co., Ltd. Mr. Huang has experience in electric vehicle, smart automation, smart city, new energy, ESG and so on. Without cases mentioned in various clauses of Article 30 of Company Law.		V	V	V	V	V	V	V	V	V		0
Creative Sensor Inc. Representative: Johnson Hou	Mr. Hou holds Bachelor of Science in engineering biomedical informatics from Stanford University, Master of Science in electrical engineering from Stanford University and PhD in electrical engineering and computer science, from Massachusetts Institute of Technology. Mr. Hou has over ten years of work experience. He served as manager at Industrial Research Technology Institute of Taiwan and VP of Universal Cement Corporation (2008). Now, he acts as director and president of Universal Cement Corporation and director of Tamen Spinning Corporation. He is specialized in innovative research and development, intelligent automation, corporate operating leadership and so on. Without cases mentioned in various clauses of Article 30 of Company Law.	V	V	V	V	V	V	V	V	V	V		0
Song-Ren Fang  Committee members	Mr. Fang graduated from the department of physics, National Central University and then obtained PhD of Material Science and Engineering from Stanford University, US. Mr. Fang has more than 25 years of work experience. He joined the R&D department of UMC and held the positions in 1999-2006, such as director of Client Engineering Department, director of New Business Development Group and Customer Engineering at UMC Taiwan and cooperate VP of UMC USA. Now, he is appointed as chairman of Darwin Venture Management, director of Koryo Electronic Co Ltd. He has experience in semi-conductor industry, venture management and corporate operating leadership. Without cases mentioned in various clauses of Article 30 of Company Law.	V	V	V	V	V	V	V	V	V	V		1

Criteria	Professional Qualification and Experience	Independence Criteria(Note 1)											Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		1	2	3	4	5	6	7	8	9	10	11	
Name Wei-Chi Liu <input checked="" type="checkbox"/> A Convener <input checked="" type="checkbox"/> C Committee members	<p>Mr. Liu has Bachelor of Business Administration from National Cheng Kung University, Master and PhD of Business Administration from Northwestern University, US.</p> <p>Mr. Liu has over 30 years of experience. He once served as president of Chung Hua University, chairman of International Bills Finance Corp. and chairman of Taiwan High Speed Rail Corp. Now, he is President of Chung Hua University, independent director of Fusheng Precision Company, and independent director of Fusheng Precision Company. He is professionally proficient in financial management, operating strategy, government policy, financial investment, smart city, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	V	V	V	V	V	V	V	V	V	V	V	2
Hsieh-Hsing Huang <input checked="" type="checkbox"/> A Committee members <input checked="" type="checkbox"/> C Committee members <input checked="" type="checkbox"/> C Committee members	<p>After graduated from Department of Economics, National Chengchi University, Mr. Huang obtained Master of Laws Program for Executive from National Chengchi University and Master of Business Management from National Sun Yat-sen University.</p> <p>Mr. Huang has over 30 years of work experience as a certified CPA. He once served as chairman of the New Taipei City Tax Agent Association (2010-2012), director of CPA Associations R.O.C. (Taiwan) (2019-2021) and supervisor of Taiyen Biotech Co., Ltd. (2007). Now, he serves as chairman of Chungsun Prime Certified Public Accountants (founder) and independent director of China Airlines.</p> <p>He has professional background in electric vehicle, land development, corporate operating leadership, government strategy, ESG, accounting and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	V	V	V	V	V	V	V	V	V	V	V	1





Criteria	Professional Qualification and Experience	Independence Criteria (Note 1)											Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		1	2	3	4	5	6	7	8	9	10	11	
Name Li-Chen Lin <input checked="" type="checkbox"/> Convener <input type="checkbox"/> Committee members <input type="checkbox"/> Committee members <input checked="" type="checkbox"/> Committee members	Graduated from Bachelor of Law from National Taipei University, Ms. Lin obtained Master of Business Administration from Tulane University. Ms. Lin has over 30 years of work experience and lawyer certificate. She once was international partner of Jones, Day, Reavis & Pogue, independent director of Cheng Uei Precision Industry Co., Ltd. (2011-2014) and independent director of Super Dragon Technology Co., Ltd. (2010-2012). Now, she is director of PCL at TransAsia Law Offices and chairman of Homenema Technology Incorporation. She has professional background in intelligent automation, smart city, new energy, land development, corporate operating leadership, EGS, law and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0
Shiang-Chung Chen <input checked="" type="checkbox"/> Committee Convener <input type="checkbox"/> Committee members <input checked="" type="checkbox"/> Committee members	Graduated from Department of Industrial Engineering, Purdue University, Mr. Chen has over 25 years of work experience. He once acted as director of Taipei Independent Director Association, director of the Institute for National Policy Research and Vice President of Criminal Investigation and Prevention Association of the Republic of China. Now he is chairman of Mercuries Data Systems Ltd and independent director of Walsin Lihwa Corporation. Mr. Chen has professional background in intelligent automation, new energy, corporate operating leadership, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1

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

1. Not an employee of the Company or any of its affiliates.



2. Not a director or supervisor of the Company or any of its affiliates. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds in accordance with domestic or local regulations.)
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not the managers as item 1 or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the person as item 2 & 3.
5. Directors, supervisors, or legal shareholders who are not directly holding more than 5% of the company's total issued shares, holding the top five shares, or appointing representatives as company directors or supervisors in accordance with Article 27, paragraph 1 or 2 of the Company Law Employee (but if the independent directors established by the company and its parent company, subsidiary company or subsidiary of the same parent company in accordance with this law or local national laws and regulations are concurrently held by each other, it is not limited to this)
6. More than half of the shares that are not on the board of directors of the company or have voting rights are the directors, supervisors or employees of other companies controlled by the same person (but if it is the company or its parent company, subsidiary or subsidiary of the same parent company (The independent directors established by the laws or local laws and regulations of the country serve concurrently with each other, this is not the case)
7. Directors (directors), supervisors (supervisors) or servants of other companies or organizations who are not the same person or spouse with each other and are the same person or spouse (Or independent directors set up by subsidiaries of the same parent company in accordance with this law or local national laws and regulations serve concurrently, not subject to this limit)
8. Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of a specific company or organization that does not have financial or business dealings with the company (but if a specific company or organization holds 20% of the company's total issued shares Above, not more than 50%, and the independent directors established by the company and its parent company, subsidiary company or subsidiary of the same parent company in accordance with this law or local national laws and regulations concurrently serve each other, not limited to this)
9. Professionals, sole proprietorships, partnerships, business owners of companies or institutions that do not provide audits for companies or related companies or business, legal, financial, accounting and other related services that have not received more than 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 a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

Note 2: Functional Committees :  Audit Committee  Compensation Committee  Corporate Governance and Sustainability Committee  Research & Innovation Committee

## **Diversification and Independence of Board of Directors**

Diversification of Board:

In line with the policy of membership diversification for the board of directors, as stipulated in the "Corporate Governance Best Practice Principles." Include but not restrict the following two standards:

Basic condition: gender, age, nationality, race and culture, etc.;

Professional knowledge and skill: professional background (such as law, accounting, industry, finance, marketing and technology), professional skill and industrial experience.

The Company select 11 directors (including 4 independent directors) at 2021 Shareholders' Meetings. The members of the board of directors are all outstanding figures in industry and academia, boasting mutually complemented industrial experience, as well as expertise in finance, economics, accounting and law, meeting the diversified board management goals (See Note 1: Implement the policy of diversification in the board).

### Management targets:

- (1). At least 1 female director of the board members;
- (2). More than one-third of the board seats are independent directors;
- (3). Directors concurrently act as managerial officers shall not be more than one-third of the board seats;
- (4). No more than two directors have a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

### Target achievements:

- (1). The board includes 2 female directors, increased from 6.67% to 18.18%; Achieved
- (2). The proportion of independent directors increases from 20% to 36.36% ; Achieved
- (3). No directors concurrently held the managerial officer position; Achieved
- (4). No directors have a marital relationship, or a relative within the second degree of kinship to any other director of the Company. Achieved

## Independence of the board

The board of the Company is independent:

- (1) 11 seats include 4 independent directors (36.36%), 6 directors meet all independence requirements (54.55%).
- (2) The tenure of the independent directors shall not exceed a cumulative term limit of three years and no independent director may concurrently serve as an independent director of more than three other public companies. Three independent directors have a cumulative term under 3 years, and 1 independent director has a cumulative term of 3-6 years.
- (3) The directors have no spouse and second degree of kinship who service as directors (no circumstance that describes in Article 26-3-3 and Article 26-3-4 of Securities and Exchange Act).
- (4) The directors exercise a high degree of self-discipline. In case involving interests of their or of the legal entities that they represent, they shall explain key contents of the involvement at the board meeting. They shall voluntarily abstain from discussion and voting as well as evade during discussion and voting, for themselves or proxy for another director, on a proposal submitted to the board that risks the involvement of the director's own interest to the detriment of the interest of the Company (please refer to Page 11 The implementation of Directors' avoidance of motions in conflict of interest).

Note 1: Implement the policy of diversification in the board

Diversification Core items	Basic conditions and value			Date of first appointment (MM/DD/YYYY)	Tenure of independent directors	Professional background/Experience						Knowledge and Skill							
	Sex	Age	Nationality			Electric vehicles	Intelligent automation	Intelligent city	New energy	Land development	Corporate operating leadership	Government strategy	International Sales and marketing	Financial management	E S G	Supervision	Accounting	Legal	
Name																			
Chwen-Jy Chiu	F	61-70	ROC	950615		•	•	•	•		•	•			•				
Cheng-Tsang Huang	M	61-70	ROC	800508		•	•	•	•		•		•						
Shou-Shoun Chou	M	51-60	ROC	1100723		•		•				•							
Pen-Ching Cheng	M	61-70	ROC	1100723								•			•				
Li-Chong Huang	M	41-50	ROC	1100101		•	•	•	•										
Chih-Sheng Hou	M	31-40	ROC	1110101		•	•					•							
Song-Ren Fang	M	51-60	ROC	1100723								•							
Wei-Chi Liu (independent director)	M	61-70	ROC	1070615	3-6 years	•	•	•	•		•	•	•		•	•			
Hsieh-Hsing Huang(independent director)	M	51-60	ROC	1100723	<3 years	•					•	•			•	•	•		
Li-Chen Lin (independent director)	F	61-70	ROC	1100723	<3 years		•	•	•		•	•			•	•		•	
Shiang-Chung Chen (independent director)	M	51-60	ROC	1100723	<3 years							•				•	•		

### 3.2.2 Management Team

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			Note
				Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Jau-Tsu Lien	2001.8.1	829,273	0.04%	0	0.00%	0	-	Master of Civil Engineering, Stevens Institute of Technology	Chairman of Shanghai Teco Electric & Machinery Pte Ltd	-	-	-	Note 1
Business Group 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	-	-	-	
Business Group President	ROC	Chi-Tseng Peng	2017.1.1	0	0.00%	0	0.00%	0	-	Master of Telecom Engineering, University of Pittsburgh	Chairman of A-Ok Technical Co., Ltd.	-	-	-	
Business Group President	ROC	Fei-Yuan Kao	2017.1.1	73,001	0.00%	305	0.00%	0	-	Master of Mechanical Engineering, National Central University	Chairman of Teco Vietnam Co., Ltd	-	-	-	
Assistant Vice President	ROC	Sheng-chyua 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.	-	-	-	
General Director of Teco Group Research Institute	ROC	Kun-Yao Ho	2021.8.6	0	0.00%	0	0.00%	0	-	PhD of advanced materials science, the University of Tokyo	-	-	-	-	
Corporate Governance Officer	ROC	Shih-Hsiung Chien	2019.6.1	0	0.00%	0	0.00%	0	-	Master of Business Administration, National Chung Cheng University	-	-	-	-	
Accounting Chief	ROC	Tommy Wu	2020.11.13	0	0.00%	0	0.00%	0	-	Master of accounting, National Chengchi University	Supervisor of Tong-An Assets Management & Development Co., Ltd.	-	-	-	

Note 1 : Thomas Fann will take over as President on April 7 2022 .

Note 2 : Hong-Hsiang Lin retired on July 17 2021; Kuo-Min Chen resigned on July 30 2021; Hank Homg's position was adjusted on November 5 2021.

### **Remuneration of Directors (Including Independent Directors)**

[illegible]

Term Code	Tenure in 2021	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)		Bonus to Director(C)		Allowances(D)		Ratio of total remuneration (A+B+C+D) to net income(%)		Salary, Bonuses, and Allowances (E)			Severance Pay (F)		Profit Sharing-Employee Bonus (G)		Ratio of total compensation (A+B+C+D+E+F+G) to net income(%)	
				The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	(The company)	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements		Cash Dividend	Stock Dividend	Cash Dividend	Stock Dividend	The company	Companies in the consolidated financial statements
25th				Tong Ho Global Investment Co., Ltd Representative : Chao-Kai, Liu																		
	14	2021/01/01~2021/07/22	Managing Director																			
	15	2021/01/01~2021/07/22	Independent Director	Jin-Fu, Chang																		
	16	2021/01/01~2021/07/22	Independent Director	Ting-Wong, Cheng																		
	17	2021/01/01~2021/07/22	Managing Director	Cheng-Tsung, Huang																		
				Creative Sensor Inc. Representative: Yu-Ren, Huang																		
	19	2021/01/01~2021/07/22	Director	Mao-Hsiung Huang																		
	20	2021/01/01~2021/07/22	Director	Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo																		
	21	2021/01/01~2021/07/22	Director	Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao																		
	22	2021/01/01~2021/07/22	Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih-Chien, Yang																		
	23	2021/01/01~2021/07/22	Director	Tong Kuang Investment Co.,Ltd Representative: Hong-Hsiang, Lin																		
	24	2021/01/01~2021/07/22	Director	Yubantec & Co., Ltd. Representative: Tung-Hai, Kao																		

Note 1: As there was no retirement in 2021, fund in the column is either provision or appropriation for retirement payment and is treated as expenses.

Bracket	Name of Directors(Note)			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements (I)	The company	Companies in the consolidated financial statements (J)
Under NT\$ 1,000,000	3.13.14.18	3.13.14.18	3.13.14.18	3.13.14.18
NT\$1,000,000 ~ Under NT\$2,000,000	5.6.7.15.16	5.6.7.15.16	5.6.7.15.16	5.6.7.15.16
NT\$2,000,000 ~ Under NT\$3,500,000	4	4	4	4
NT\$3,500,000 ~ Under NT\$5,000,000	9.10.11.19.20.21.22. 23.24	9.10.11.19.20.21.22. 23.24	9.10.11.20.21.22.23. 24	9.10.11.20.21.22.23. 24
NT\$5,000,000 ~ Under NT\$10,000,000	2.8.12.17	2.8.12.17	2.8.12.17	2.8.12.17
NT\$10,000,000 ~ Under NT\$15,000,000	1	1	1.19	1
NT\$15,000,000 ~ Under NT\$30,000,000				19
NT\$30,000,000 ~ Under NT\$50,000,000				
NT\$50,000,000 ~ Under NT\$100,000,000				
Over NT\$100,000,000				
Number of Directors	24	24	24	24

Note : Shown by code of Directors in the previous table

### Compensation of President and Vice President

December 31, 2021 / Unit: NT\$ thousand

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	Cash	Stock				
1	Chairman	Chwen-Jy, Chiu													
2	President	Jau-Tsu, Lien													
3	Business Group President	Sung-Pin, Chang													
4	Business Group President	Chi-Tseng, Peng													
5	Business Group President	Fei-Yuan, Kao													
6	Assistant Vice President	Sheng-chyuan, Lin													
7	General Director	Kun-Yao Ho													
8	Corporate Governance Officer	Shih-Hsiung, Chien													
9	Executive Consultant	Hong-Hsiang, Lin													
10	Assistant Vice President	Kuo-Min, Chen													
11	Assistant Vice President	Hank, Horng													
			Total 21,959	Total 21,959	Total 1,280	Total 1,280	Total 31,456	Total 32,581	Total 28,595	-	Total 28,595	1.66%	1.68%	125	

Note : Hong-Hsiang Lin retired on July 17 2021; Kuo-Min Chen resigned on July 30 2021; Hank Horng's position was adjusted on November 5 2021.

Bracket	Name of President and Vice President (Note )	
	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000		
NT\$1,000,000 ~ under NT\$2,000,000		
NT\$2,000,000 ~ under NT\$3,500,000	9.10.11	9.10.11
NT\$3,500,000 ~ under NT\$5,000,000	7.8	7.8
NT\$5,000,000 ~ under NT\$10,000,000	3.4.5.6	3.4.5.6
NT\$10,000,000 ~ under NT\$15,000,000		
NT\$15,000,000 ~ under NT\$30,000,000	1.2	1.2
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**

2021.12.31/ 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				
	President	Jau-Tsu, Lien				
	Business Group President	Sung-Pin, Chang				
	Business Group President	Chi-Tseng, Peng				
	Business Group President	Fei-Yuan, Kao				
	Assistant Vice President	Sheng-chyuan, Lin				
	General Director	Kun-Yao, Ho				
	Corporate Governance Officer	Shih-Hsiung, Chien				
	Executive Consultant	Hong-Hsiang, Lin				
	Assistant Vice President	Kuo-Min, Chen				
	Assistant Vice President	Hank, Horng				
			-	Total 28,595	Total 28,595	0.57%

Note : Hong-Hsiang Lin retired on July 17 2021; Kuo-Min Chen resigned on July 30 2021; Hank Horng's position was adjusted on November 5 2021.

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

Unit: NT\$ thousand

Year	Total remuneration paid to directors, presidents and vice presidents	Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)
2021	182,329	3.64%
2020	216,671	6.17%

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 the company's overall business performance into account, 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.

According to Regulations Governing the Board Performance Evaluation, the performance of the board is evaluated at the end of the fiscal year. The self-evaluation items for directors include: Personal understanding on the company's goal and mission, acknowledgement of duty of directors, participation in the company's operation, internal relationship and communication, expertise and continuous training of directors and internal control.

The senior managers conduct performance evaluation at the end of each quarter based on the special key performance indicators (KPI) of the panel industry. The KPI-based assessed items include: value-added operation, accelerated operation, deepened management and forward-looking layout. 60% of the assessed items are related to financial indicators (e.g. operating income, operating profit, current profit and loss, total asset turnover, ROA, ROIC...); 40% of the assessed items are related to long-term planning and executive status.

Long-term performance reward mechanism: The Company has implemented the TECO Trust since 2020. Part of employee remuneration above the managerial officers will adopt the shareholding trust method to hold the shares of TECO, and the shares can be retrieved after two years. Adopted such mechanism, the TECO will strengthen the connection between senior managers' rewards and long-term operating income, to improve cohesion and sense of ownership and share the Company's operating achievements.

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 25<sup>th</sup> board of directors were held in 2021, 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 %	Should attend 6 times
Managing Director	Tong Ho Global Investment Co., Ltd Representative : Chao-Kai, Liu	6	0	100%	Retired on July 22 2021 Should attend 6 times
Managing Director	Cheng-Tsung, Huang	6	0	100%	Retired on July 22 2021 Should attend 6 times
Managing Director	Creative Sensor Inc. Representative: Yu-Ren, Huang	1	0	100%	Resigned on March 18 2021 Should attend 1 time
Managing & Independent Director	Wei-Chi, Liu	6	0	100%	Should attend 6 times
Independent Director	Jin-Fu, Chang	6	0	100%	Retired on July 22 2021 Should attend 6 times
Independent Director	Ting-Wong, Cheng	6	0	100%	Retired on July 22 2021 Should attend 6 times
Director	Mao-Hsiung, Huang	6	0	100%	Retired on July 22 2021 Should attend 6 times
Director	Ying Int. Inv. Co.,Ltd Representative : Li-Chong, Huang	6	0	100%	Should attend 6 times
Director	Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo	6	0	100%	Retired on July 22 2021 Should attend 6 times
Director	Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao	6	0	100%	Retired on July 22 2021 Should attend 6 times
Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih- Chien, Yang	5	1	83%	Retired on July 22 2021 Should attend 6 times
Director	Tong Kuang Investment Co.,Ltd Representative: Hong-Hsiang, Lin	6	0	100%	Retired on July 22 2021 Should attend 6 times
Director	Yubantec & Co., Ltd. Representative:Tung-Hai, Kao	6	0	100%	Retired on July 22 2021 Should attend 6 times

A total of 4 meetings of the 26<sup>th</sup> board of directors were held in 2021, 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	4	0	100 %	re-elected on July 23 2021 Should attend 4 times
Director	Tong Ho Global Investment Co., Ltd Representative : Mao-Hsiung Huang	2	0	100%	The representative. changed to Cheng-Tsung Huang on October 1st 2021 Should attend 4 times
	Representative : Cheng-Tsung Huang	2	0	100%	
Director	Show-Shoun Chou	4	0	100%	elected on July 23 2021 Should attend 4 times
Director	Ho Yuan International Investment Co., Ltd.	4	0	100%	elected on July 23 2021 Should attend 4 times

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
	Representative: Pen-Ching Cheng				
Director	Yinge Int. Inv. Co.,Ltd Representative : Li-Chong Huang	4	0	100%	re-elected on July 23 2021 Should attend 4 times
Director	Creative Sensor Inc. Representative: Yu-Ren Huang	4	0	100%	elected on July 23 2021 Should attend 4 times The representative. changed to Johnson Hou on Decemner 30 2021
Director	Song-Ren Fang	4	0	100%	elected on July 23 2021 Should attend 4 times
Independent Director	Wei-Chi Liu	4	0	100%	elected on July 23 2021 Should attend 4 times
Independent Director	Hsieh-Hsing Huang	4	0	100%	elected on July 23 2021 Should attend 4 times
Independent Director	Li-Chen Lin	4	0	100%	elected on July 23 2021 Should attend 4 times
Independent Director	Shiang-Chung Chen	4	0	100%	elected on July 23 2021 Should attend 4 times

Other mentionable items:

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

- (I) Items listed in Article 14-3 of Securities and Exchange Act: Please refer to the page about Audit Committee. All proposals were resolved by all independent directors.
- (II) Other matters involving objections or expressed reservations by Independent Directors that were recorded or stated in writing that require a resolution by the Board of Directors: None.

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

(1) 25-24 meeting of the board (March 23, 2021)

Director's name: Chwen-Jy Chiu (Chairman), Chao-Kai Liu (Managing Director), Mao-Hsiung Huang (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., 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 Motovario S.p.A, 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 Motovario S.p.A, 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, except for abstained by chairman Chwen-Jy Chiu, executive director Chao-Kai Liu, director Mao-Hsiung Huang and director Hong-Hsiang Lin due to conflict of interests.

Director's name: Chwen-Jy Chiu (Chairman), Chao-Kai Liu (Managing Director), Mao-Hsiung Huang (Director), Hong-Hsiang Lin (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 chairman of TWMC, TWMM, Asia Innovative Technology (Xiamen) Co., Ltd., Motovario S.p.A, director of UVG Investment Co.Ltd., director of WUXI TECO Precision Industry 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 TWMC, Asia Innovative Technology (Xiamen) Co., Ltd., and Motovario S.p.A, Mao-Hsiung Huang is chairman of TWMC, An-Tai International Investment Co., Ltd., Hong-Hsiang Lin is director of Motovario S.p.A, 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, except for abstained by chairman Chwen-Jy Chiu, executive director Chao-Kai Liu, director Mao-Hsiung Huang and director Hong-Hsiang Lin due to conflict of interests.

(2) 26-2 meeting of the board (August 6, 2021)

Director's name: Wei-Chi, Liu (independent director), Shiang-Chung Chen (director), Pen-Ching Cheng (director)

Contents of the case: The appointment of the 5th Compensation Committee members.

Reason for avoidance of conflict of interest and participation in voting: Wei-Chi Liu (independent director), Shiang-Chung Chen (independent director), Pen-Ching Cheng (director) are candidates for the Compensation Committee members and abstained from the discussion and voting based on interest conflict.

Resolution: Except for Shiang-Chung Chen (independent director), Shiang-Chung Chen (independent director) and Pen-Ching Cheng (director) abstained based on interest conflict, adopted upon the consent of other directors present.

Director's name: Sophia Chiu (Chairman), Hsieh-Hsing Huang (independent director), Li-Chen Lin (independent director), Shiang-Chung Chen (independent director), Mao-Hsiung Huang (director), Show-Shoun Chou (director)

Contents of the case: The appointment of the 2nd Corporate Governance and Sustainability Committee members.

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu (chairman), Hsieh-Hsing Huang (independent director), Li-Chen Lin (independent director), Shiang-Chung Chen (independent director), Mao-Hsiung Huang (director) and Show-Shoun Chou (director) are candidates for the corporate governance and sustainability committee. They are abstained from discussion and voting based upon interest conflict. Wei-Chi Liu (independent director) presided over the meeting.

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 of whom objected the case, except for Chwen-Jy Chiu (chairman), Hsieh-Hsing Huang (independent director), Li-Chen Lin (independent director), Shiang-Chung Chen (independent director), Mao-Hsiung Huang (director) and Show-Shoun Chou (director) abstained based on interest conflict.

Director's name: Chwen-Jy Chiu (Chairman), Show-Shoun Chou (director), Yu-Ren Huang (director), Li-Chen Lin (director), Song-Ren Fang (director)

Contents of the case: The appointment of the 2nd R&D and Innovation Committee members.

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu (chairman), Show-Shoun Chou (director), Yu-Ren Huang (director), Li-Chen Lin (independent director) were candidates for the R&D and Innovation Committee. They are abstained from discussion and voting based upon interest conflict. Wei-Chi Liu (independent director) presided over the meeting.

Resolution: Upon recommendation of Yu-Ren Huang (director), Song-Ren Fang (director) added to the committee. Thus, Song-Ren Fang (director) was abstained based upon interest conflict, acting chairman Wei-Chi Liu (independent director) consulted other directors and approved, none of whom are objected.

Director's name: Yu-Ren Huang (director), Mao-Hsiung Huang (director), Shiang-Chung Chen (independent director), Song-Ren Fang (director)

Contents of the case: Shareholder special motion at shareholders' meeting on July 23, 2021.

Reason for avoidance of conflict of interest and participation in voting: Yu-Ren Huang (director) serves as chairman of Creative Sensor Inc. and TECO Image System; Mao-Hsiung Huang (director) has the second degree of kinship with Yu-Ren Huang (director); Shiang-Chung Chen (director) is an independent director of TECO Image System; Song-Ren Fang (director) is a director of KORYO Co., Ltd., while KORYO Co., Ltd. is a corporate director of TECO Image System. The above directors were abstained from discussion and voting for this case based upon interest conflict.

Resolution: Except for Yu-Ren Huang (director), Mao-Hsiung Huang (director), Shiang-Chung Chen (independent director) and Song-Ren Fang (director) abstained based upon interest conflict, after the chairman consulting other present directors, the case was approved with the consent of present directors, excluding Li-Chong Huang (director)

who raised the objection.

(3) 26-3 meeting of the board (November 5, 2021)

Director's name: Chwen-Jy Chiu (Chairman)

Contents of the case: To cooperate the subsidiary TECO Electro Devices Co., Ltd. to be listed on the TPex, plan to transfer 517,000 shares to the consulting broker MasterLink Securities.

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the director of TECO Electro Devices 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.

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, except for abstained by Chwen-Jy Chiu due to conflict of interests.

(4) 26-4 meeting of the board (December 20, 2021)

Director's name: Chwen-Jy Chiu (Chairman)

Contents of the case: Plant to provide endorsement guarantee for the affiliated company due to business needs in 2022.

Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the president of Sankyo Co, Ltd and 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.

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 of whom objected the case.

Director's name: Chwen-Jy Chiu (Chairman)

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 chairman of Motovario S.p.A. and TWMC abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing & independent director, Wei-Chi Liu.

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 of whom objected the case.

Director's name: Li-Chen Lin (independent director), Hsieh-Hsing Huang (independent director)

Contents of the case: The addition of two members to the Compensation Committee.

Reason for avoidance of conflict of interest and participation in voting: Li-Chen, Lin (independent director), Hsieh-Hsing Huang (independent director) are candidates for the Compensation Committee members and abstained from the discussion and voting based on interest conflict.

Resolution: Except for Li-Chen Lin (independent director) and Hsieh-Hsing Huang (independent director) abstained based on interest conflict, the case was approved after the chairman consulted all present members, none of whom objected the case.

(5) Strengthen the function of the board

To improve directors' professional knowledge and legal capacity, and help them to effectively operate the company, the Secretary Office organized the education courses on Nov 5, 2021 and Dec 20, 2021. In addition, according to the Board Performance Evaluation Report issued by Taiwan Corporate Governance Association on Jan 7, 2021, the following improvements are executed:

- i. Rating bases are added to Self-evaluation Questionnaire of Board Member Assessment in 2021 for reference.
- ii. Newly-appointed Director Orientation held on August 4, 2021. The heads of business groups reported their respective organizational structure and business responsibilities, as well as the development plan for the next three years to newly-appointed executives. It is proposed to establish the directors' manual and formulate the aforementioned activities as internal norms to strengthen the company's related systems of corporate governance.

(6) Strengthen the communication with investors

The investors' conference has been held quarterly since 2020 to regularly update corporate financial and business information and provide an opportunity for public investors to directly communicate with the operating team. To

equally treat shareholders, the audio/video files are disclosed to ensure that public investors to attend the meeting have the same information.

### 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 2021:

#### 1. Review financial reports

The company's board of directors submitted the 2020 annual financial statements (including the consolidated financial statements) which has been audited and certified by accountants Yu-Lung Wu and Chien-Hung Chou entrusted by the Board of Directors. Together with annual business report and earning distribution motion, they are reviewed and approved by the 21st meeting of the 3rd Audit Committee (2021.3.16), were submitted to the 24th meeting of the 25th Board of Directors (2021.3.23) for resolution and were acknowledged by general shareholders meeting 2021 (2021.7.23).

#### 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 2020 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 31 level units. The internal control self-assessment operation was completed at 2021.2.8. 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 2021.2.24. The design and implementation of its internal control system did not reveal any major deficiencies. Determining the design and implementation of the company's internal control system should be effective. After being reviewed and approved by the 21st meeting of the 3rd Audit Committee (2021.3.16), and submitted to the Resolution of the 24th meeting of the 25th Board of Directors (2021.3.23), the "Internal Control System Statement" for 2020 was issued.

A total of 2 meetings of the 3rd Audit Committee were held in 2021, and the Audit Committee attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener & Chairman	Ting-Wong Cheng	2	0	100%	Retird on July 22 2021 Should attend 2 times
Member	Wei-Chi Liu	2	0	100 %	Should attend 2 times
Member	Jin-Fu Chang	2	0	100%	Retird on July 22 2021 Should attend 2 times

A total of 4 meetings of the 4<sup>th</sup> Audit Committee were held in 2021, and the Audit Committee attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener & Chairman	Wei-Chi Liu	4	0	100%	re-elected on July 23 2021 Should attend 4 times
Member	Hsieh-Hsing Huang	4	0	100 %	elected on July 23 2021 Should attend 4 times
Member	Li-Chen Lin	4	0	100%	elected on July 23 2021 Should attend 4 times
Member	Shiang-Chung Chen	4	0	100%	elected on July 23 2021 Should attend 4 times

Other mentionable items:

- 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
  - Items specified in article 14-5 of Securities and Exchange Act: Please see the following charts
  - Other items resolved by the audit committee member with support of two thirds of directors but without approval of the auditing committee.: None

Board Meeting	Contents of the case and follow-up	Article 14-5 of Securities and Exchange Act	Other items resolved by the audit committee member with support of two thirds of directors but without approval of the audit committee
25-24 Board Meeting (March 23, 2021)	Discussion on business report, parent company only financial statements and consolidated financial statements of 2020.	√	
	Discussion on Profit Distribution of 2020.	√	
	Internal audit report and self-assessment of internal control of 2020	√	
	Discussion on renewal of credit line of financial Institutions in 2021	√	
	Discussion on provision of endorsement and guarantee for the affiliates and overseas subsidiaries	√	
	Provision of loans among the Company and affiliates.	√	
	Plan to revise some terms of the Financial Report Draft Procedure and Management of the Company	√	
	The Resolution of Audit Committee (March 16, 2021): Discussion on Profit Distribution of 2020 - After the chairman consulted all present members, the plan 1 is preferred given the capital needs and profit ratio and submitted to the board for resolution. For the remaining cases, passed by all attendee committee members		
25-27 Board Meeting (May 7, 2021)	How the company handle opinion of Audit Committee: After this case has been consulted all present directors by the chairman, the resolution passed the cash dividend to be distributed in Plan 2 (NT\$1.15). The remaining cases were approved by all the directors present.		
	Change of the Corporation's audit executives.	√	
	The Resolution of Audit Committee (May 3, 2021): Change of corporate audit executives -- this case is submitted to the board for resolution after the chairman consulted all present members without objection raised.		
26-2 Board Meeting (August 6, 2021)	How the company handle opinion of Audit Committee: Passed by all attendee directors		
	Consolidated financial statements for the first half of the year 2021	√	
	Extended the contract with Hua Cheng Fund PVG GCN.	√	
	The Resolution of Audit Committee (August 7, 2021): Passed by all committee members		
	How the company handle opinion of Audit Committee: Discussion on extend the contract with Hua Cheng Fund PVG GCN -- Approved after the chairman consulted with all present directors.		



Board Meeting	Contents of the case and follow-up	Article 14-5 of Securities and Exchange Act	Other items resolved by the audit committee member with support of two thirds of directors but without approval of the audit committee
26-3 Board of directors (Nov 5, 2021)	Discussion on transfer of 517,000 shares to the consulting broker MasterLink Securities To cooperate the subsidiary TECO Electro Devices Co., Ltd. to be listed on the TPEx.	√	
	Discussion on investing own fund NTD100 m (tax excluded) to set the shareholding company for a solar farm	√	
	Discussion on the storage AFC by NTD2 million (tax excluded)	√	
	The Resolution of Audit Committee (Nov 9, 2021): Passed by all committee members		
	How the company handle opinion of Audit Committee: Discussion on the storage AFC by NTD2 million (tax excluded)- internal investment is suggested and other related matters approved after the chairman consulted all present directors. The remaining cases were approved by all the directors present.		
26-4 Board of directors (Dec 20, 2021)	Auditing plan for 2022	√	
	Plan to supply affiliate with endorsement guarantee.	√	
	Provision of loans among the Company and affiliates.	√	
	Discussion on independence and adequacy of CPA	√	
	Discussion on remuneration of CPA.	√	
	The Resolution of Audit Committee (December 13, 2021): Passed by all committee members		
	How the company handle opinion of Audit Committee: Discussion on CPA appointment and remuneration - Approved after the chairman consulted all present directors. However, the management office is authorized to ask for discount. The remaining cases were approved by all the directors present.		

II. The avoidance of Independent Director due to interest conflict: None.

III. The communication between independent director, internal audit chief and CPA

(I) Communications method of independent directors with internal auditing chief and certified public accountants: The Company has put in place direct contact channel for independent directors to communicate with internal auditing chief and certified public accountants. In line with the regulation of the regulator, the company audits its finance and business status regularly and communicates directly with management and corporate governance unit.

1. 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.
2. After completing the auditing of the semiannual and annual financial statements, the company's contracted certified public accountant reports the result of the auditing or checking of the financial statements of the company and its subsidiaries, both domestic and overseas ones, at the auditing committee, as well as other legally required communications items.

(II) Independent Director and internal audit chief have good communication, and independent directors have no suggestions. Communication issues in 2021 are showed as follows.

Audit Committee	Communication Item	Communication Result
3-21 (March 16, 2021)	Report for Internal Audit	Notification. No other suggestions.
	2020 Self Evaluation on Internal Audit (Announcement of Internal Control)	Approval after the chairman consulted all attending member, then submitted to the board of directors for resolution
3-22 (May 3, 2021)	Report for 2021 1Q Internal Audit	Notification. No other suggestions.
4-2 (August 5, 2021)	Report for 2021 2Q Internal Audit	Notification. No other suggestions.
4-3 (Nov 1, 2021)	Additional instruction on the 4-2 Audit Committee matters: Auditing report on overseas subsidiaries.	Notification. No other suggestions.
4-4 (Dec 13, 2021)	Report for 2021 3Q Internal Audit. (Independent directors talk with internal auditor separately)	Notification. No other suggestions.
	Audit Project for 2022. (Independent directors talk with internal auditor separately)	The case was approved by all present members after the chairman consulted all attending member, none of whom objected the case, then submitted to the board of directors for resolution.

(III) Independent Director and CPA have good communication, and independent directors have no suggestions. Summary of communication issues in 2021 are showed as follows.

Audit Committee	Communication Item	Communication Result
3-21 (March 16, 2021)	Report for 2020 consolidate and parent company only financial statements	Approval after the chairman consulted all attending member, then submitted to the board of directors for resolution
	The impact of COVID, inspection scope, findings, the impact of related regulations on other matters	Notification. No other suggestions.
4-2 (August 5, 2021)	Report for 2021 2Q consolidate financial statements	Approval after the chairman consulted all attending member, then submitted to the board of directors
	The impact of COVID on financial report disclosure, auditing scope, findings and other matters	Notification. No other suggestions.
Hsieh-Hsing Huang Independent Director (August 17, 2021)	Capital use, investment framework adjustment and financial report disclosure transparency. (Independent directors talk with CAP separately)	Notification. No other suggestions.

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

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summarized Explanation	
I. 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 Corporate Government Best Practice Principles was approved at the 13th meeting of the 21st Board of Directors (March 25, 2008) in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. These Principles have been revised eight times from 2013 to 2021 in response to corporate development trend and the latest development of social and international issues concerned. These Principles have been announced on TWSE MOPS and the Company's website.	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”
II. The company's shareholding structure and shareholders' equity (I) Whether the company has formulated and implemented internal procedure for handling suggestions, questions, disputes, and litigation of shareholders. (II) Whether the company has got hold of the list of major shareholders and their ultimate controllers. (III) Whether the company has established and implemented risk-management and firewall mechanism pertaining to affiliates. (IV) Whether the company has formulated internal norms forbidding the company's insiders to take advantage of unpublicized information in trading in securities.	V		(I) The company has installed stock-affairs unit, which handles shareholders' suggestions or disputes. (II) The company has got hold of the list of major shareholders and their ultimate controllers, which is updated regularly. (III) The company has clear differentiation of rights and responsibilities for personnel, assets and financial management with affiliated companies, regularly checks the accounting and internal control systems of affiliated companies, and establish appropriate risk control and firewall mechanisms; in accordance with the "Administrative Rights and Responsibilities and Related Instructions for Relational Enterprises" and the internal control system "Supervision and Management of Subsidiaries" and "Management of Related Party Transactions". (IV) The company has formulated internal norms “Preventing Insider Trading Rules and Major Internal Information Processing Procedures” and “Rules of Ethical Conduct to Directors and Managerial Officers” forbidding insiders to take advantage of unpublicized information in trading in securities.	(I) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. (II) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. (III) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. (IV) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
III. Composition and duties of the board of directors (I) Whether the Board of Directors formulate and implement diversified policies and specific management objectives.	V		(I) In line with the policy of membership diversification for the board of directors, as stipulated in the "Corporate Governance Best Practice Principles." Include but not restrict the following two standards: (1) Basic condition and value: gender, age, nationality, race and culture, etc.; (2) Professional knowledge and skill:	(I) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>professional background (such as law, accounting, industry, finance, marketing and technology), professional skill and industrial experience.</p> <p>Management targets: The members of the board of directors include at least one female director; the independent director seats exceed two-third of the board members; 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>Execution: The Company select 11 directors (including 4 independent directors) at 2021 Shareholders' Meetings (July 23, 2021). The members of the board of directors boast mutually complemented industrial experience, as well as expertise in finance, economics, accounting and law. The board of directors includes 2 female directors, and the proportion of female directors has increased from 6.67% to 18.18%; the proportion of independent directors increased from 20% to 36.36%; three independent directors have a tenure of less than 3 years, and one independent director has a tenure of 3 ~ 6 years). The goal of diversified board members has been met. Members of the board actively attended the board meeting, and the actual attendance rate of the 25th board of directors in 2021 was 98.81%; the actual attendance rate of the 26th board of directors was 100%. These board members effectively supervised and understood the implementation of the business plan.</p>	
(II) Whether the company has installed on its own various functional committees other than the compensations committee and the audit committee?			(II) 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." (See note 1: Corporate Governance and Sustainability Committee)	(II) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
(III) Whether the company has formulated measures and methods for the evaluation of the performance of the board of directors and carryout regular performance evaluation every year, as well as summit the result to the board for the reference to the remuneration and re-election nomination of individual director.			(III) 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" at the 5th meeting of the 24th board of directors on Nov 13, 2015, in line with the stipulation of article 37 of "Corporate Governance Best Practice	(III) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “.

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>Principles for TWSE/GTSM Listed Companies". Since 2015, at the end of every year, the secretariat of the board of directors would collect information on the activities of the board of directors and issue questionnaires for self evaluation before recording the evaluation results and reporting them to the board of directors for review and improvement. External professional independent agent or external expert team is hired to evaluate the performance of BOD and issue external evaluation report every three years. On the 20th meeting of 25th board (11.13.2020) passed to amend the company's "Rules Governing the Board Performance Evaluation", the main revision points are: New evaluation of individual directors' self-evaluation Method; external agency to perform board performance evaluation related standards; performance evaluation indicators regularly reviewed by the compensation committee and acted as Basis of salary remuneration</p> <p>The board evaluation team from Taiwan Corporation Governance Association was invited to evaluate the performance of board of directors in 2020 (convener: Chun-Zheng Lin executive member, members include: Cheng-I (executive member), Yi-Fang Cai (team leader of evaluation), Yi-Jing Song (evaluator)) conducted evaluation on Dec 29, 2020, through document review, online self-evaluation questionnaire, field visit and other methods. The association is an independent professional corporate governance counseling and evaluation agency, referring to the latest guiding principles of corporate governance of the Organization for Development (OECD) and considering Taiwan's legal environment and corporate characteristics, it launched in corporate governance system evaluation and appraisal services since 2005, and has served more than 300 times. The scope of review includes: the composition of the board of directors, guidance of the board of directors, authorization of the board of directors, supervision of the board of directors, communication of the board of directors, internal control and risk management, the board's self-discipline and others, such as board meeting, supporting system and so on.</p> <p>The evaluation results are as follows: (1). The managing director meeting is convened once every 2 months for consultation, communication and discussion in the early stage of the</p>	

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>future business plans and major agendas. After building a consensus, then submit the proposals to the board of directors’ meeting to make decisions and it improves the efficiency of meetings.</p> <p>(2). Audit committee effectively performs the function of guidance and supervision. The Accountants who certified the financial reports attend the board meeting and also attend audit committee twice a year to communicate on the company’s finance, accounting and internal control, etc.</p> <p>(3). The compensation committee reviews the current salary policy by considering the change of business environment, suggests adjustment on the current salary structure to optimize the overall salary system, pays attention to talent training and succession system to give full play to the function of compensation committee.</p> <p>(4). The Research and Innovation Committee invites external professional scholars to serve as committee members to provide international information, combined with Teco Group Research Institute, launches market research based on strategic directions and forward-looking technology, defines the product directions via systematic thinking to plan the group’s short, medium and long-term product development blueprint to enhance the competitiveness.</p> <p>Recommendations for improvement:</p> <p>(1). Revised internal norms of " Rules Governing the Board Performance Evaluation " in 2020": it is recommended to add the scoring standard to the self-assessment questionnaire indicators in the attached table for directors to follow.</p> <p>(2). " Orientation for New Director ": Report to new directors on its organizational structure and business responsibility, development plan for the next three years by top director of each business department. It is proposed to establish the directors’ manual and formulate the aforementioned activities as internal norms to further strengthen the company’s related systems of corporate governance.</p> <p>The above 2020 annual board performance evaluation report has been submitted to the 24th meeting of the 25th term board</p>	

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
(IV) Whether the company has regularly evaluated the independence of certified public accountants?			<p>(2021.3.23) Improvement Plan: 1. Self-evaluation Questionnaire of Board Member Assessment and Self-evaluation Questionnaire of Functional Committee in 2021 has added rating bases. 2. Established the directors' manual in 2021 and formulate "Orientation for New Director" as internal norms Each year's "Evaluation result of Board Performance Evaluation" will be offered to "Compensation Committee" and "Corporate Governance and Sustainability Committee" for reference for remuneration and re-election nomination of individual director. In addition, the secretariat of the board of directors launched 2021 Directors' self-evaluation project via "Self-evaluation Questionnaire of Board Member Assessment". The self-evaluation items for directors include: a total of 23 evaluation indicators on 6 dimensions: personal understanding on the company's goal and mission, acknowledgement of duty of directors, participation in the company's operation, internal relationship and communication, expertise and continuous training of directors and internal control. Meanwhile, the secretariat of the board of directors also launched "Self-evaluation Questionnaire of Functional Committee Assessment". Evaluation items for overall performance of functional committees: Participation in the company's operation, acknowledgement of duty of functional committees, quality improvement of decision making of functional committees, composition and selection of members of functional committees, internal control. The above 2021 annual board performance evaluation report has been submitted to the 5th meeting of the 26th term board (March 3, 2022)</p> <p>(IV) 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 evaluates first, then submits to Audit committee for review and Board meeting for approval. CPAs Yu-Lung Wu and Chien-Hung Chou of PwC Taiwan ,according to the CPA evaluation scale(Note 2), were ascertained their conformance to the company's evaluation</p>	(IV) Compliance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			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 22nd meeting (Dec. 22nd, 2020) and the 26th board of directors at the 4th meeting (Dec. 20, 2021).	
IV. Does the Company have an adequate number of qualified corporate governance personnel and appoint a chief corporate governance officer to handle matters pertaining to corporate governance (including but not limited to provide information required for business execution by Directors and Supervisors, assist Directors and Supervisors with regulatory compliance, handle matters pertaining to board meetings and shareholders' meetings according to laws and regulations, produce minutes of Board meetings and shareholders meetings, etc.)?	V		<p>The Company established the "Corporate Governance Center" in July 2015 in accordance with Article 3-1 of the "Corporate Governance Best Practice Principles". Currently, it has 9 dedicated staff to handle corporate governance related matters. According to the "Points of Matters to Be Followed by the Board of Directors of Listed Companies", at the 25-7th board meeting (5.13.2019), it was decided to appoint the Director of the "Corporate Governance Center", Shih-Hsiung Chien, as the company's full-time head of corporate governance. He has more than three years of relevant management experience of public listed companies and is registered as an appointed 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.</p> <p>The execution of related corporate governance matters in 2021 have submitted to the 3rd meeting of the 2nd corporate governance and sustainability committee (Jan 17, 2022) and the 6th meeting of the 26th board of directors (March 16, 2022), including:</p> <p>(1) The report is showed as following: 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.</p> <p>(2) 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</p>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “



Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>and supervisors.</p> <p>(3) Based upon “Regulations Governing the Board Performance Evaluation” to launch performance evaluation of periodically. Collect the related information of activities of the board, distributing the questionnaire to collect self evaluation of the board of directors, turning in to the board to review and improve at the end of the year. And commission outside independent institutions or experts/scholars to carry out the evaluation at least once every three years.</p> <p>(4) Assistance for directors in compliance with various laws, regulations, and guidelines: Arrange study courses for directors at least twice a year and provide data irregularly needed by directors in the execution of their duties, conducive to their understanding of latest legal development related to the company's operation; invite certified public accountant to attend meetings of the board of directors at least twice a year to exchange opinions with directors on annual report and semiannual report, as well as the updating of IFRSs, securities laws/regulations, and tax laws/regulations.</p> <p>(5) Oversee "administrative platform for corporate governance": based on the evaluation indicators of the "corporate governance evaluation," drafted by the Taiwan Stock Exchange, regularly review and discuss matters related to corporate governance with all units, and formulate the goals of corporate governance, and the platform regularly tracks the implementation and results of the responsible unit.</p> <p>(6) Handle related issue about investor relations: investor relations team provides AGM information, material information announcement, financial statements, presentation material about finance and operation, information about domestic and overseas conferences.</p> <p>According to article 36-3 of " Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," the company's corporate governance chief will arrange courses related to execution of duties with study time meeting legal requirement. Director Shih-Hsiung Chien has completed 15 hours in 2021:</p> <ul style="list-style-type: none"> <li>● On Jan 5, 2021, Taiwan Sustainable Finance Forum - building a sustainable financial ecosystem (3 hours)</li> <li>● On Sep 30, 2021, the Board Practice Cases - Simulated Exercise (3 hours)</li> <li>● On Nov 5, 2021, analysis of asset safety risk trend (3 hours)</li> <li>● On Nov 15, 2021, the 10th Chinese family</li> </ul>	

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			enterprise annual forum (3 hours) ● On Dec 20, 2021, Analysis of the latest international ESG policy and trend (3 hours)	
V. 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		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 3: Issues which stakeholders focus and communication channel). 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.	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “
VI. 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 Securities Co., Ltd stock agency (Tel: 886-2-2504-8125, Address: B1, No. 96, Sec. 1, Jianguo N. Rd, Zhongshan Dist., Taipei City).	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “
VII. Information disclosure (I) Whether the company has installed website for publication of information on finance, business, and corporate governance?  (II) 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)?  (III) 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		(I) The company institutes website for disclosing the status of finance and corporate governance. The address of the corporate website: www.teco.com.tw.  (II) The corporate structure English website ( <a href="https://www.teco.com.tw/en">https:// www.teco.com.tw/en</a> ). According to the company's measures for news release, collection and disclosure of company information is in the charge of designated staffer. After approval by the president, various units can notify the public relations unit for news release which will then be transferred to the spokesman for execution. According to the company's measures for information publication, spokesman should disclose company information to all investors and media at the same time in a fair manner.  (III) The company publishes and declares annual financial reports (within three months), the first, second, and third quarter financial reports (within 45 days) and monthly operating conditions (before 10th of each month) within the time limit specified in Article 36 of the Securities Exchange Law. Because there are hundreds of consolidated entities, temporarily not been able to	(I) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies ”.  (II) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.  (III) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies“

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			announce and declare the annual financial report within two months after the end of the fiscal year. 2020 Annual financial statements have been announced and declared on 2021.3.16.	
VIII. Whether the company has other information conducive to understanding the status of corporate governance (including, but not limited to, staffers’ interests, concern for staffers, investor relationship, supplier relationship, stakeholders’ rights, advanced study of directors and supervisors, execution of risk-management policy and criteria for risk assessment, execution of customer policy, and taking out of liabilities insurance for directors, and supervisors?	V		<ol style="list-style-type: none"> <li>1. 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.</li> <li>2. 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.</li> <li>3. The company has set up a unit dedicated to periodic disclosure the company's major business information, boosting information transparency, as well as a feedback mechanism for accepting suggestions of 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.</li> <li>4. 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.</li> <li>5. 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.</li> <li>6. The company has dedicated to the establishment of a complete risk-management system, actively considering all the risks which may occur in the company's operation and assuring compliance by the company with related laws and regulations. Meanwhile, assure continuing effectiveness of the company's internal control system via auditing system. Various auditing tasks by the auditing unit ascertain the effectiveness of the company's internal control system, as shown in the low</li> </ol>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>risks of various environmental indicators in 2021.</p> <p>7. The company has dedicated to the provision of quality products with high price-performance ratio to customers. In order to meet customer demands for products and services, the company has also endeavored to better understand their expectation for the company and its products, via multiple channels, including dedicated customer service phone lines, seminars, field visits, after-sales tracking, telephone calls, corporate website, and media, so as to make products and services better fit customer’s needs.</p> <p>8. The company has taken out liabilities insurance for directors covering possible liabilities related to their responsibilities during their tenure to lower the risks of major loss for the company and shareholders which could be caused by the mistake or negligence of directors since 1999. Report on the insurance, including insurance amount (US\$10 million), coverage (all the directors), premium rate, and insurance period (2020 and 2021) was delivered at the 12th meeting of the 25th board of directors (2.24.2020) and 23th meeting of the 25th board of directors.(3.2.2021)</p>	
IX. Please illustrate the improvement based upon the latest Corporate Governance Evaluation Result released by Taiwan Stock Exchange and measures for those that haven’t improved.	V		<p>1. The company was granted top 5% evaluation in corporate-governance evaluation for eight years running since fiscal 2015. The situation has been improved: In order to enable investors to obtain sufficient and correct information in a timely manner, the company's financial report will be approved by the board of directors or submitted to the board of directors 7 days before the announcement deadline, and the financial report will be announced within 1 day after the approval date or the reporting date.</p> <p>2. Matters needed to be improved and its measures: The Company will continuously diversify the board and improve the proportion of female directors and independent directors.</p>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “

Note 1: Implement the policy of diversification in the board

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.

Status of attendance for the first meeting of the committee in 2021:

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

Status of attendance for the two meetings of the 2nd corporate governance committee in 2021:

Title	Name	Actual attendance Times	Attendance rate (%)	Note
Convener and chairman	Li-Chen Lin	2	100%	Legal, operating management and EGS
Member	Hsieh-Hsing Huang	2	100%	Accounting and electric vehicle business
Member	Shiang-Chung Chen	2	100%	New energy and operating management
Member	Chwen-Jy Chiu	2	100%	Finance and Management
Member	Mao-Hsiung Huang (Note)	2	100%	Management and Industrial Innovation
Member	Show-Shoun Chou	2	100%	Operating management and government strategy

(Note) Member Mao-Hsiung Huang resigned on October 1, 2021.

Other mentionable items:

1. In case the board of directors turns down suggestions of corporate governance and sustainability committee, specify the date and number of the meeting, contents of the case, resolutions of the board of directors, and status of the handling of the committee's opinions by the company: None.
2. Opposition or reservation of members on record or in written statement against resolutions of corporate governance and sustainability committee: None.
3. The main items reviewed are summarized below:

Corporate Governance and Sustainability Committee	Item	Result
1-7 (Jan 12, 2021)	(1) The company's "CSR Committee", "Corporate Governance Center" and "Legal and Compliance Division" and "Information Security Committee" 2021 work plan.	<ul style="list-style-type: none"> <li>• Major tasks of "CSR Committee": ESG weakness and benchmark analysis, establish 2021 sustainable promotion team, and project promotion.</li> <li>• Major tasks of "Corporate Governance Center": Strengthen the board functions, improve information transparency, strengthen communication with investors and ensuring top 5% in "corporate governance competition".</li> <li>• Major tasks of "Legal and Compliance Division": Intellectual property management, obtaining the TIPS authentication, implementing the Company's Code of Integrity Operation, risk analysis of unethical behavior, assessment and supervision.</li> <li>• Major tasks of "Information Security Committee": Reviewing information security policy, improving employees' information security awareness, checking the company-wide information security, introducing ISO27001</li> </ul>

Corporate Governance and Sustainability Committee	Item	Result
		international information security management standards. The work plan of the above committees and offices for 2021 was approved after the chairman consulted all present members without objections raised.
1-8 (March 16, 2021)	(1) 2020 "Performance Assessment Report of Board of Directors". (2) Nomination for the 26th director (including independent director) candidates.	(1) Notification. (2) Approval after the chairman consulted all attending member, then submitted to the board of directors for ratification.
1-9 (March 31, 2021)	(1) Nomination for the 26th director (including independent director) candidates.	(1) Approval after the chairman consulted all attending member, then submitted to the board of directors for ratification.
2-1 (August 31, 2021)	(1) Nominating the convener for the corporate governance and sustainability committee.	(1) Independent director Li-Chen Lin acts as convener.
2-2 (September 11, 2021)	(1) The implementation of "CSR Committee", "Corporate Governance Center" and "Legal and Compliance Division" and "Information Security Committee" work plan in the first half of 2021. (2) Succession plan and operation report of important managers. (3) Amendment to the Company's Corporate Governance Best Practice Principles.	(1) It's suggested that "Corporate Governance Center" to strengthen communication with investors, and to invite the experts of III(Institute for Information Industry) to deliver speeches about information security. Notification. (2) Expatriate professionals could be employed as managers. The management team shall keep younger. Notification. (3) Approval after review, then submitted to the board of directors.

Note 2: Evaluation for CPA

Chapter I. Requirement of Independence			
Evaluation items		Evaluation Result	Whether compliance Independence
01	Do certified public accountants, their spouses, or minor children have relationship of investment or financial-interest sharing with the company?	No	V
02	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
03	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
04	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
05	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
06	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
07	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
08	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
09	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

Chapter II. Operation of Independence		
	Evaluation items	Evaluation Result Whether compliance Independence
01	Whether certified public accounts have evaded and failed to undertake the case when the case affects their impartiality and independence because there is a direct or significant indirect interest in the matters assigned?	N/A Appointed accountants are the accountants who certified/audited the company's financial statement
02	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
03	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
04	Whether certified public accountants carry out professional service in upright and rigorous manner?	Yes V
05	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 3: Issues which stakeholders focus and communication channel

Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
Shareholder	Business development and operation Financial transparency Risk management Corporate governance Environmental protection	<ul style="list-style-type: none"> <li>Market Observation Post System at Taiwan Stock Exchange</li> <li>Shareholder meeting---at least once a year</li> <li>Investment forums in Taiwan and abroad</li> <li>Visits by institutional investors</li> <li>Investor Relation/stock mailboxes dedicated to investors</li> <li>---immediate replies by responsible persons</li> <li>Contact window: (IR) Director Chien <a href="mailto:ir@teco.com.tw">ir@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>Selected in "Dow Jones Sustainability Index", "Taiwan Sustainability Index".</li> <li>2021 corporate governance evaluation ranked top 5% for the 7th consecutive year.</li> <li>42 major information releases and announcements in Chinese and English respectively.</li> <li>Reelect directors at 2021 shareholders' meeting (July 23, 2021).</li> <li>4 investors' conferences were held, invited to attend 9 investment forums both at home and abroad.</li> <li>Received 92 visits of investors (excluding investment forums and broker analysts) (including 16 visits of foreign investors), and paid 11 trips to brokers.</li> <li>Received the groups of smart mobility exhibition on Oct 22 (25 people).</li> </ul>
Employee	Business development and operation Labor Relations Employees' rights and interests Training and career development Occupational Safety and Health environment Expression of employees' opinions and communication	<ul style="list-style-type: none"> <li>Labor-management conferences: 1 per quarter</li> <li>Trade Union workshop: 1 per six months</li> <li>Food meeting: 1 per quarter</li> <li>Employee quarterly meeting 1 per quarter</li> <li>Occupational Safety and Health Committee: 1 per quarter</li> <li>Employee satisfaction survey: 1 per year</li> <li>E-board: Irregular Notice</li> <li>Unlawful infringement/Complaint: <a href="mailto:HRP@teco.com.tw">HRP@teco.com.tw</a></li> <li>Contact window: (HR) Manager Yu <a href="mailto:edward@teco.com.tw">edward@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>Labor-management conferences: 16 meetings at four plants in total in 2021</li> <li>Trade Union workshop: A symposium is held once per six months for company chairman, president, manager of every plant, company's human resource executives as well as directors and supervisors of the company's labor union.</li> <li>Food meeting: 16 meetings at four plants in total in 2021</li> <li>Employee quarterly meeting 4 meetings in 2021 in total, provided equal opportunities to employees from all plants through communication and software tools.</li> <li>Employee satisfaction survey: Knew the opinions of employees and executives through the survey.</li> <li>Unlawful infringement/Complaint: 1 case.</li> <li>E-board: Irregularly announce various employee welfare matters (health</li> </ul>

Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
			examination, group insurance, etc.), welfare committee information, important operation information of the Company, education and training course information, annual performance management operation, etc.
Client	Labeling for products and services Customers' health and safety Product quality Marketing communication Survey of customers' satisfaction Green products	<ul style="list-style-type: none"> <li>● Questionnaire survey of satisfaction—1~4 times/year</li> <li>● Dedicated telephone lines for response to customers if needed</li> <li>● 1-4 symposiums a year for sales agents and irregular calls on sales agent</li> <li>● Tracking of after-sale services---by every service and telephone talks after</li> <li>● company's website and media---updated in needed</li> <li>● Contact window: (Spokesperson) Chien Director <a href="mailto:speaker@teco.com.tw">speaker@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● Conduct customer satisfaction survey, analysis and countermeasures every year.</li> <li>● Regularly perform external audit (Nov-Dec 2021), internal audit, process audit and product audit of the quality control system.</li> <li>● Continuously promote the quality improvement teams (29 teams) and improvement proposals (e.g. 642 cases).</li> <li>● Organize internal auditor training (as of May 2021, 44 trainees, 14 hours/person); five major tools training for quality management (as of August 2021, 22 trainees, 28 hours/person).</li> <li>● Annual management review meeting (Oct 2021-Jan 2022), monthly quality meeting, monitoring the quality risk management of stakeholders on both internal and external issues.</li> <li>● Five press conferences.</li> <li>● Attended 4 times of (Kaohsiung Industrial Hall Motor Trend Exhibition, Automation Exhibition, Intelligent Mobility Exhibition, Smart City Exhibition).</li> <li>● 34 news papers on the official website, the latest 13 pieces this month; replied 500 mails.</li> <li>● 83 tweeters; 43 Youtube videos.</li> <li>● 65th anniversary of digital exhibition.</li> </ul>
Supplier	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"> <li>● Evaluation of suppliers—70 per year.</li> <li>● Examination of suppliers—once a quarter</li> <li>● Counseling for suppliers---offered if needed</li> <li>● E-procurement---if needed</li> <li>● Contact window: (Coordination) Director Lin <a href="mailto:dora@teco.com.tw">dora@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● Risk assessment and on-site evaluation were undertaken for key suppliers, with key suppliers</li> <li>● 305 suppliers have signed the CSR commitments in total, 100% major suppliers have signed.</li> </ul>
Local community	Occupational safety and health Environmental management Social participation Voluntary services for social benefit	<ul style="list-style-type: none"> <li>● Service centers in industrial parks---services provided irregularly</li> <li>● Joint efforts to prevent impact of disasters on neighborhoods of industrial parks---once every quarter</li> <li>● Communication mailbox at the company's website---for use irregularly</li> <li>● Employees' voluntary work for social benefit---activities held every quarter</li> <li>● Contact window: (PR) Manager Jiang <a href="mailto:pr@teco.com.tw">pr@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● No violations of regulations on air pollution and waste disposal as well as no events with negative impact on neighboring communities</li> <li>● Participation in joint efforts and cooperation with other companies stationed in industrial parks to prevent impact of disasters on residential communities neighboring industrial parks</li> <li>● Energy-saving education was offered for local communities and schools</li> <li>● 373 employees participated in public activities with 495 voluntary hours.</li> </ul>



Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
NGO NGO (non-governmental organization)	Environmental protection Social benefit Labor conditions	<ul style="list-style-type: none"> <li>● Actively participated in various forums and workshops organized by civil groups and academic groups</li> <li>● Disclosure of non-financial information---regular publication of CSR (corporate social responsibility) reports every year, disclosing the company's action in environmental protection, social responsibility and corporate governance and results accordingly</li> <li>● Contact window: IR) Director Chien <a href="mailto:ir@teco.com.tw">ir@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● Active participation in external organizations and forums to support goals of sustainable development and government policies</li> <li>● In December 2021, purchased 338 boxes of pineapple shakya and sent to 44 social and welfare groups.</li> <li>● Greenhouse gas inventory---the company passes BSI (British Standards Institution) ISO 14064-1 verification to obtain reasonable level of assurance every year</li> </ul>
Government agency	Regulatory compliance Occupational safety and health Reduction in greenhouse gas emission Environmental protection Energy management	<ul style="list-style-type: none"> <li>● Irregular attendance in symposiums and public hearings on regulations held by authorities concerned</li> <li>● Work with the competent authority in auditing and supervision</li> <li>● Contact window: (Spokesperson) Chien Director <a href="mailto:speaker@teco.com.tw">speaker@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● 4 promotional activities (foreign trade associations: smart plant industry road-map, circular economy VR museum; Youth Career Development Center of the Ministry of Labor; 360-degree VR workplace film; Industrial Technology Research Institute, Economic Development Bureau, Kaohsiung City; 2021 Kaohsiung Startup Competition)</li> <li>● Pursuant to OHSAS (Occupational Health and Safety Assessment Series) 18001 and CNS 15506 under Taiwan Occupational Safety &amp; Health Management System (TOSHMS), the company has set up an OSHMS for efficient management to secure employees' occupational safety and health</li> </ul>

### 3.3.4 Compensation Committee

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

Criteria Roles Name		Professional qualifications and experience	Independence Criteria	Number of part-time positions on the compensation committees of other companies
Independent Director	Shiang-Chung Chen	Please refer to Page 12 disclosed information about director qualification and independence.	<p>The qualifications of the independent directors of the Company meet Article 6 regarding independence regulations of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”.</p> <ul style="list-style-type: none"> <li>● I, my spouse and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliated companies.</li> <li>● I, my spouse and relative within the second degree of kinship (or under other's name) do not hold any percentage or number of issued shares of the Company;</li> <li>● Do not serve as a director, supervisor or employee of the Company that has a special relationship with the Company;</li> <li>● Do not provide commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</li> </ul>	1
Independent Director	Wei-Chi Liu	Please refer to Page 12 disclosed information about director qualification and independence.	<p>The qualifications of the independent directors of the Company meet Article 6 regarding independence regulations of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”.</p> <ul style="list-style-type: none"> <li>● I, my spouse and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliated companies.</li> <li>● I, my spouse and relative within the second degree of kinship (or under other's name) do not hold any percentage or number of issued shares of the Company;</li> <li>● Do not serve as a director, supervisor or employee of the Company that has a special relationship with the Company;</li> <li>● Do not provide commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</li> </ul>	2

Criteria Roles Name		Professional qualifications and experience	Independence Criteria	Number of part-time positions on the compensation committees of other companies
Independent Director	Hsieh-Hsing Huang	Please refer to Page 12 disclosed information about director qualification and independence.	<p>The qualifications of the independent directors of the Company meet Article 6 regarding independence regulations of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”.</p> <ul style="list-style-type: none"> <li>● I, my spouse and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliated companies.</li> <li>● I, my spouse and relative within the second degree of kinship (or under other's name) do not hold any percentage or number of issued shares of the Company;</li> <li>● Do not serve as a director, supervisor or employee of the Company that has a special relationship with the Company;</li> <li>● Do not provide commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</li> </ul>	1
Independent Director	Li-Chen Lin	Please refer to Page 12 disclosed information about director qualification and independence.	<p>The qualifications of the independent directors of the Company meet Article 6 regarding independence regulations of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”.</p> <ul style="list-style-type: none"> <li>● I, my spouse and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliated companies.</li> <li>● I, my spouse and relative within the second degree of kinship (or under other's name) do not hold any percentage or number of issued shares of the Company;</li> <li>● Do not serve as a director, supervisor or employee of the Company that has a special relationship with the Company;</li> <li>● Do not provide commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</li> </ul>	0
External Expert	Kung-Yeun Jeng	Mr. Jeng graduated from the Department of Shipbuilding Engineering of National Cheng Kung University, and then successively obtained a master's degree from the Institute of Transportation Engineering of Chiao Tung University, a master's degree	<p>The qualifications of the independent directors of the Company meet Article 6 regarding independence regulations of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”.</p> <ul style="list-style-type: none"> <li>● I, my spouse and relative within the</li> </ul>	0

Roles Name	Criteria		Number of part-time positions on the compensation committees of other companies
	Professional qualifications and experience	Independence Criteria	
	<p>from the Institute of Shipping Management of MIT and a doctorate from the Institute of Transportation and Transportation of Chiao Tung University.</p> <p>Mr. Jeng has more than 30 years of work experience. He has served as the chairman of EVA Air, the chairman of UNI Air, the vice chairman of EVA Group Italian Shipping, and the deputy general manager of EVA Shipping. Currently, he is the President of Taiwan High Speed Rail. At the same time, he is a member of the current Compensation Committee. Possess majors in transportation management, information system management, investment evaluation and analysis, management company leadership and ESG.</p> <p>Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliated companies.</p> <ul style="list-style-type: none"> <li>● I, my spouse and relative within the second degree of kinship (or under other's name) do not hold any percentage or number of issued shares of the Company;</li> <li>● Do not serve as a director, supervisor or employee of the Company that has a special relationship with the Company;</li> <li>● Do not provide commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</li> </ul>	

## (2) Information on Members of Compensation Committee

A. There are five members in Compensation Committee

B. The term of the current committee: July 23, 2021 to July 22, 2024. The committee has met three times in 2021. The attendance and qualifications of committee members follow:

Status of attendance for the fourth meeting of the committee in 2021:					
Title	Name	Number of attendance (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener and chairman	Wei-Chi Liu	1	0	100%	Re-elected (re-elected on August 6, 2021) shall attend by 1 time
Member	Ting-Wong Cheng	1	0	100%	Previously appointed (reelected on August 6, 2021) Shall attend by 1 time
Member	Jin-Fu Chang	1	0	100%	Previously appointed (reelected on August 6, 2021) Shall attend by 1 time

## Status of attendance for two meetings of the fifth committee in 2021:

Title	Name	Number of attendance (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener and chairman	Shiang-Chung Chen	2	0	100%	Newly appointed (reelected on August 6, 2021) Shall attend by 2 times
Member	Wei-Chi Liu	2	0	100%	Re-elected (re-elected on August 6, 2021) Shall attend by 2 times
Member	Kung-Yeun Jeng	1	0	100%	Newly appointed (reelected on Nov 5, 2021) Shall attend by 1 time
Member	Hsieh-Hsing Huang	1	0	100%	Newly appointed (on December 20, 2021) Shall attend by 1 time
Member	Li-Chen Lin	1	0	100%	Newly appointed (on December 20, 2021) Shall attend by 1 time
Member	Pen-Ching Cheng	1	0	100%	Resigned (Nov 5, 2021) Shall attend by 1 time

## Other mentionable items:

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 2021

Compensation committee	Communication Item	Communication Result
4-6 (March 16, 2021)	The proposal on the Company's 2020 remuneration distribution for employees	Approved, submit to board of directors for resolution
	The proposal on the Company's 2020 remuneration distribution for directors	Approved, submit to board of directors for resolution
	The remuneration adjustment plan for President Jau-Tsu Lien (appointed manager)	Approved, submit to board of directors for resolution
	The remuneration adjustment plan for Shih-Hsiung Chien, the director of Corporate Governance Center (appointed manager)	Approved, submit to board of directors for resolution

Compensation committee	Communication Item	Communication Result
5-1 (August 30, 2021)	Report on current remuneration system for directors and independent directors and suggestions for future adjustment	Notification.
	Optimization plan for the remuneration system	Notification.
	Discussion on director of TECO group research institute Kun-Yao Ho remuneration	Approved, submit to board of directors for resolution
5-2 (Dec 29, 2021)	Progress report of remuneration optimization plan	Notification.
	Report on distribution of remuneration to executive manager in 2020	Notification.
	Report on distribution of 2021 year-end bonuses among managers	Notification.
	Current remuneration system for directors and independent directors and suggestions for future adjustment	Approved the fixed compensation for independent directors, submitted to the board of directors for resolution.

### 3.3.5 The Company's implementation of sustainable development, differences from the practices of TWSE/TPEX Listed Companies, and reasons for the differences

Promotion items	Execution			Discrepancy with "Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summarized Explanation	
I. Does the company establish exclusively (or concurrently) dedicated units to implement sustainable development, and does the Board of Directors appoint executive level positions with responsibility for sustainable development to supervise the status of the implementation to the Board of Directors?	V		<ol style="list-style-type: none"> <li>The Company sets up "ESG Promotion Office" to regularly report to chairman, follow up with implementing TECO sustainable development goals and policies. CEO of ESG Promotion Office is the highest management level. ESG Promotion Office is employed with full-time sustainable management officer, responsible for work or promotion across different departments, consisting of "business group/site representative", "safety and health team", "HR", "finance division", "Corporate Purchasing Center" and other units, to simultaneously promote the work across the Company.</li> <li>The board of directors set up a "corporate governance and sustainability committee" to guide the relevant matters of "corporate governance", "legal compliance and legal affairs" and "ESG". 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. Meetings are held regularly every year.</li> <li>The working plan for 2021 has been submitted to the 7th meeting of the first corporate governance and sustainability committee (January 12, 2021) and the 23rd meeting of the 25th board of directors (March 2, 2021). The relevant implementation report has been submitted to the 2nd meeting of the second corporate governance and sustainability committee (September 11, 2021) and the third meeting of the 26th board of directors (November 5, 2021). The directors suggested the operation team should continuously reinforce the investor communication, review the performance system, and assess the implications of the zero emission initiative and countermeasures as well as the changes from the carbon neutral and future business opportunities.</li> </ol>	Compliance with "Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies"
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note2)	V		<ol style="list-style-type: none"> <li>The Company established the Risk Management Policy and Procedure in accordance with Article 44 of the Regulations Governing Establishment of Internal Control Systems by Public Companies at the 17th meeting of the 22nd board of directors (March 20, 2012), and its first amendment was adopted at the 6th meeting of the 26th board of directors (March 16, 2022). The strategy, scope, organizational structure and implementation status of the risk management in 2021 have been reported to the 4th meeting of the 26th board of directors (December 20, 2021) and disclosed on the official website of the Company.</li> <li>TECO is committed to establishing a sound risk management system. The "audit committee" and "corporate governance and sustainability committee" are the highest level of the company's risk management, in charge of various risks, so as to clarify the division of responsibilities, carry out risk control at different levels,</li> </ol>	Compliance with "Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies"

Promotion items	Execution		Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons																	
	Yes	No																		
			<p>and report to the chairman of the board. In addition, the Company is responsible for monitoring and auditing the whole risk management mechanism through the audit team directly under the board of directors, ensuring the effectiveness of the company's risk control and properly managing potential risks through internal audit operations.</p> <p>3. The scope of major risk assessment in 2021 includes plants in Taiwan, the United States, mainland China, Vietnam and Malaysia, which is the same as the scope of the sustainability report.</p> <p>4. In 2021, the ESG Promotion Office identified material issues from the perspective of global mega trend, prepared the stakeholder questionnaire, interviewed representative stakeholders, collected information and updated the extent of attention. The office sequenced and analyzed these issues from the perspectives of both external stakeholders and internal managers, identified different opinions and corrected the direction of CSR promotion. The company has formulated the following risk management policies or strategies pertaining to the environmental, social and corporate governance issues based on the principle of materiality:</p> <table><tr><th>Material issue</th><th>Risk assessment Item</th><th>Remark</th></tr><tr><td rowspan="4">Environment</td><td>Full product lifecycle management</td><td>Establish the carbon emission reduction strategy for products and implement carbon emission reduction measures at the raw material and manufacturing stages.</td></tr><tr><td>Identification of climate change risk and opportunities</td><td>Carry out the “10-year Emission Reduction by 50%” plan, and achieve the goal by 2030.</td></tr><tr><td>Identification of future cost</td><td>Track carbon footprints of major products, establish carbon specifications for products and define perpetual management goals for related suppliers.</td></tr><tr><td>Renewable energy and green power generation</td><td>Increase solar power generation facilities successive at various plants and establish an adequate power capacity reserve to comply with proactive laws and regulations.</td></tr><tr><td rowspan="2">Social</td><td>Customer relations management</td><td>Optimize service capacity and improve customer satisfaction.</td></tr><tr><td>Employee life and occupational safety</td><td>Refer to the labor standards outlined in the UN Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization Conventions. Establish the environmental safety management system and promote the operation of the management system in accordance with ISO 14001 and ISO 45001. Organize regular trainings related to environment and safety.</td></tr></table>	Material issue	Risk assessment Item	Remark	Environment	Full product lifecycle management	Establish the carbon emission reduction strategy for products and implement carbon emission reduction measures at the raw material and manufacturing stages.	Identification of climate change risk and opportunities	Carry out the “10-year Emission Reduction by 50%” plan, and achieve the goal by 2030.	Identification of future cost	Track carbon footprints of major products, establish carbon specifications for products and define perpetual management goals for related suppliers.	Renewable energy and green power generation	Increase solar power generation facilities successive at various plants and establish an adequate power capacity reserve to comply with proactive laws and regulations.	Social	Customer relations management	Optimize service capacity and improve customer satisfaction.	Employee life and occupational safety	Refer to the labor standards outlined in the UN Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization Conventions. Establish the environmental safety management system and promote the operation of the management system in accordance with ISO 14001 and ISO 45001. Organize regular trainings related to environment and safety.
Material issue	Risk assessment Item	Remark																		
Environment	Full product lifecycle management	Establish the carbon emission reduction strategy for products and implement carbon emission reduction measures at the raw material and manufacturing stages.																		
	Identification of climate change risk and opportunities	Carry out the “10-year Emission Reduction by 50%” plan, and achieve the goal by 2030.																		
	Identification of future cost	Track carbon footprints of major products, establish carbon specifications for products and define perpetual management goals for related suppliers.																		
	Renewable energy and green power generation	Increase solar power generation facilities successive at various plants and establish an adequate power capacity reserve to comply with proactive laws and regulations.																		
Social	Customer relations management	Optimize service capacity and improve customer satisfaction.																		
	Employee life and occupational safety	Refer to the labor standards outlined in the UN Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization Conventions. Establish the environmental safety management system and promote the operation of the management system in accordance with ISO 14001 and ISO 45001. Organize regular trainings related to environment and safety.																		



Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons												
	Yes	No	Summarized Explanation													
			<table><tr><th>Material issue</th><th>Risk assessment Item</th><th>Remark</th></tr><tr><td rowspan="4">Corporate Governance</td><td>Strengthen the function of the board</td><td>Make the further learning plan for the directors and provide the latest laws, regulations and policies from time to time.</td></tr><tr><td>Code of conduct and regulatory compliance</td><td>Carry out the internal control system and ensure all directors, managers and employees comply with related laws, regulations, rules and code of conduct.</td></tr><tr><td>Resilience of supply chain</td><td>Build four production centers to offset the negative impact from climate and political changes.</td></tr><tr><td>Intelligent product and innovation management</td><td>Develop and introduce the petrochemical electrification plan for America and Canada to help customers reduce carbon reduction in operation. Develop low-carbon new products and build renewal energy facilities.</td></tr></table>	Material issue	Risk assessment Item	Remark	Corporate Governance	Strengthen the function of the board	Make the further learning plan for the directors and provide the latest laws, regulations and policies from time to time.	Code of conduct and regulatory compliance	Carry out the internal control system and ensure all directors, managers and employees comply with related laws, regulations, rules and code of conduct.	Resilience of supply chain	Build four production centers to offset the negative impact from climate and political changes.	Intelligent product and innovation management	Develop and introduce the petrochemical electrification plan for America and Canada to help customers reduce carbon reduction in operation. Develop low-carbon new products and build renewal energy facilities.	
Material issue	Risk assessment Item	Remark														
Corporate Governance	Strengthen the function of the board	Make the further learning plan for the directors and provide the latest laws, regulations and policies from time to time.														
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	Resilience of supply chain	Build four production centers to offset the negative impact from climate and political changes.														
	Intelligent product and innovation management	Develop and introduce the petrochemical electrification plan for America and Canada to help customers reduce carbon reduction in operation. Develop low-carbon new products and build renewal energy facilities.														
III. Environment issues (I) Does the company establish an appropriate environmental management system according to its industrial characteristics?	V		1. By the type of business, each plant needs to obtain international certification such as ISO 9001 and TS16949, and strengthen the control ability of introducing ISO 14001, ISO 45001 or hazardous substances.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “												
(II) Is the company committed to improving the energy utilization efficiency and using recycled materials with low impact on environmental load?	V		<ul style="list-style-type: none"><li>● Motors use recycled materials: Reuse melted silicon steel scrap as the motor shell, of which recycled iron accounts for about 40%</li><li>● Introduction of waterborne paint: The external coating of the motor changes to waterborne coating, which can effectively reduce the emission of volatile organic compounds (VOC). The waterborne coating has reached 80% of the total production, and the total emission of volatile organic compounds (VOC) has been reduced by about 60%</li><li>● Climate-friendly alternatives to HFCs: Promoting R32 refrigerant recovery and refrigeration process recovery, the small home air conditioners produced by TECO have adopted climate-friendly refrigerants.</li></ul>	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “												
(III) Does the company assess the potential risks and opportunities arising from climate change at present and in the future and take related countermeasures?			TECO declares "50% carbon reduction in ten years". 50% of carbon reduction will be achieved by 2030. The goal of carbon neutralization will be achieved by 2050.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “												
(IV) Has the company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas			<ul style="list-style-type: none"><li>● Greenhouse gas: TECO conducted an inventory of greenhouse gas emissions in Taiwan, the Mainland, Vietnam and the United States, and the data coverage is expanded over the years, as well as the management scope. Total direct emissions (category I) are 22,259 (metric tons of CO2e / year) and total indirect emissions (Category II) are 59,887 (metric tons of CO2e / year). Various plants in Taiwan obtain the BSI-issued certificates</li></ul>	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “												

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
reduction, water use reduction or other waste management?			ISO 14064-1 (greenhouse gas emissions). To ensure data accuracy, third-party certification agencies will complete the certification of the overseas plants in 2022. <ul style="list-style-type: none"> <li>● Water consumption: The total consumption of clean water is 400 million cubic meters</li> <li>● Wastes: The total amount of waste is 16146 metric tons, of which the total amount of waste used / recovered / sold is 13501 metric tons.</li> </ul>	
IV. Social Issues (I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?			TECO respects and encourages implementation of the labor standards of The UN Universal Declaration of Human Rights, The UN Global Compact, and The International Labor Organization Conventions, and TECO is committed to ensuring that everyone is equally treated in a dignified manner within and outside TECO. The mitigation measures include safe and healthy work environment, no compulsory and forced labor, no child labor, non-discrimination, freedom of association and collective bargaining rights.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
(II) 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?			<ol style="list-style-type: none"> <li>1. "The operation guidelines for special bonus payment" applies to the employee and is paid in cash by individual performance. Part of the bonus will be distributed seasonally in the next 2 years. The actual bonus will be subject to KPI points in the previous quarter. TECO performance KPI is set case by case. The personnel related to sustainability will be related to sustainability KPI. To balance the gender structure, the Company ensure the promotion of female employees based on KPIs. All female employees are increased to 30.4% from 27.8% in recent three years.</li> <li>2. In 2020, the Company established the Centripetal Shareholding Committee and granted the bonus to the executives at the manager level and above, and part of the bonus was used to buy the Company's shares in the form of stock trust. In 2020, the Company established the Employee Shareholding Committee. The executives at the manager level and above could appropriate part of their monthly salaries, and the Company would appropriate the same amount to buy the Company's shares in the form of stock trust. TECO will continuously optimize long-term reward mechanism and include sustainable indicators into KPI bonus.</li> <li>3. comprehensive vacation system: In order to balance the work and life balance of colleagues, and implement leave management,</li> <li>4. in addition to the leave enjoyed by employees in accordance with relevant laws and regulations, the Company also examines the special leave-taking rate of each unit and includes it in the annual performance evaluation index of the executives.</li> <li>5. birthday leave: Birthday is a special day for individuals once a year. In order to allow colleagues to flexibly arrange activities in the month of birthday and fully feel the joy of birthday, the company has set up a birthday leave to show the company's blessing</li> <li>6. charity Leave: To encourage employees to participate in social charitable activities and implement the responsibility of corporate citizens, the Company has set up the paid leave for such activities. Such charity leaves</li> </ol>	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>could be up to three days per year. Employees can engage in public charitable activities with the full salary paid, and will also not affect their performance evaluation.</p> <p>7. Miscarriage prevention: If an employee needs to take a leave for miscarriage prevention during pregnancy, she may take such leave up to 30 days per year with half salary paid.</p> <p>8. Rehabilitation leave: To make employees feel at ease and fully rest when they are ill, when employees are hospitalized, they can take paid leave corresponding to the length of stay in hospital after discharge from hospital.</p> <p>9. Wedding gratuity: When the employees or their children get married, TECO executives will extend our congratulations along with a marriage allowance.</p> <p>10. Funeral allowance: When tragedy strikes employees or their families, TECO executives will mourn with them. In the funeral, TECO executives will send condolence banners or wreathes, as well as condolence allowance.</p> <p>11. Dormitory: Free dormitory is provided for employees in the plants. The dormitory self-management committee will consist of employees who live in the dormitory. Some fees are charged monthly for paying cleaning common areas, facility repair and various sports and entertainment activities.</p> <p>12. Sharing operating achievements: The performance management system is implemented to synchronize the reward of employees with the Company's business performance, so as to stimulate employees' sense of ownership. According to the Company's Articles of Incorporation, up to 10 percent of profit will be distributed to employees in line with profits of current year. In addition, annual bonus will be distributed by the operating income in accordance with annual bonus evaluation mechanism.</p>	
(III) Whether the company has provided staffers safe and healthy working environment and held regular safety and health education for staffers?			<p>TECO establishes the environmental safety management system and promotes the operation of the management system in accordance with ISO 14001 and ISO 45001 (Guidelines of Taiwan Occupational Safety and Health Management System). The headquarters (TECO) and its 8 affiliated enterprises have set up ISO 14001 and passed the verification. TECO organizes the environmental safety monthly activities in the third quarter of each year, and the environmental safety related training and award-winning activities to encourage the participation of all employees. Through these activities, all employees could increase the environmental safety related knowledge and raise their awareness. The environmental safety is improved in line with external auditing.</p> <ul style="list-style-type: none"> <li>● Disabling injury frequency rate FR: 1.11</li> <li>● Disabling injury severity rate SR: 20.96</li> <li>● Statistics of workplace disaster-related events: 11 events (2 events in Taiwan plants, 5 events in Mainland China, 4 in Westinghouse, USA)</li> </ul>	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
(IV) Whether the company has established effective cultivation plan for staffers in developing capabilities essential for their career?			<p>Mentor Program: Training senior managers with the capacity of carrying forward and organization. Under this Program, the business unit head (mentor) will select mentees and arrange mentees to complete operation/management capacity test. Of them, the operation/management capacity test covers six aspects: performance and target tracking management,</p>	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>strategic thinking, application of financial statements and cost concepts, team building, development of subordinates, communication and coordination. In line with the evaluation results, the mentor and mentee jointly formulate the mentoring objectives and learning tasks.</p> <p>Digital skill training:</p> <ol style="list-style-type: none"> <li>1. Digital skills courses - online courses in cooperation with the Hahow training platform. 442 employees took 12 hours courses and completed 5,017 hours of training, so as to achieve the goal of encouraging employees to learn digital knowledge and skills independently.</li> <li>2. Digital transformation project - cooperates with the Business School of Chengchi University to launch a digital transformation course. Four courses are designed for 41 key talents, including big data supply chain, artificial intelligence and operation optimization, digital transformation power, big data-based member marketing with Martech, and enabling them to be excel in digital transformation.</li> <li>3. Digital transformation seed empowerment program for young employees: In six months, three young trainees completed smart marketing and smart manufacturing courses, as well as IoT training. Partnered with the government, TECO joined the young talent program, enabling young trainees to better know TECO's digital transformation process.</li> </ol> <p>Complementary executive training:</p> <ol style="list-style-type: none"> <li>1. Newly-appointed executive training: Training is provided on the mentality management, cost and budget control, labor law, performance assessment and talent retention. 19 newly-appointed executives receive such training.</li> <li>2. Middle-level executive training: Four courses: management and leadership, subordinate development and guidance, financial statement interpretation and analysis, cost concept and strategic thinking. 17 employees took these courses, 15 of them completed the courses.</li> <li>3. Professional common function training (R&amp;D technology forward, R&amp;D quality management, market analysis and evaluation) was completed, with a total of 30 participants and a completion rate of 85%.</li> </ol> <p>The Company designs the development training plan for employees, including the induction ceremony of the group's newcomers, which helps new employees to know the headquarters and plant environment, and the Company's culture and performance evaluation system, so as to help newcomers quickly familiarize the Company. The management function training is provided to newly appointed executives, potential directors at the shopfloor level and middle-level. The training plan is tailored for newly-appointed executives and potential executives at 5-8 level. At the professional training level, the core functions, professional functions and general policy functions are trained according to the structure of TECO Academy. The core function is for the purposes of establishing the cost concept and business operation awareness of the Company's executives. The professional functions cover the general knowledge of marketing business and R&amp;D , as well as the courses of technical motors, electric control, electric power, appliances, refrigeration and air conditioning, so as to</p>	

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			develop talents with basic professional skills and general knowledge, and achieve the purpose of multi-level development across different levels and professions. This year, various business units will develop all kinds of technical courses, along with digital skills, digital transformation projects, digital transformation seed empowerment plan for young people, combined with potential director training, fixed core functions and professional common functions training (R&D technology carrying forward, R&D quality management, market analysis and evaluation).	
(V) 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 or client protection policies and appeal procedures?			Energy saving and carbon reduction are the trends in the design and development of home appliance products. TECO's motor complies with the international efficiency rating, and considers products above IE3 as high-efficiency motors. In 2021, the sales volume of high-efficiency motors account for more than 60%. TECO continues to promote replacement, provide sustainable power for the future. TECO's air conditioners focus on the development of frequency conversion under the condition of complying with the national CNS regulations and basic safety standards, achieving energy saving/water saving, introducing environmental protection refrigerants and materials, and obtaining energy saving labels, environmental protection labels and water saving labels, as product labeling and marketing. In addition to satisfying the health and safety of consumers, also contribute to reducing carbon emissions in the environment. The Company has also set up a dedicated service line for home appliances consumer (A-OK Technical Service Co., Ltd.) to provide a channel for consumers to report for repairs and complaints, and provide a privacy protection statement for related repairs to ensure consumer rights.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
(VI) Does the company formulate a vendor management policy requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health, labor rights, and supervised the compliance?			TECO integrates relevant standards into the sustainable management policies for the supply chain in the aspects of economy, society and environment. To ensure that suppliers fulfill their corporate social responsibility, in addition to using the assessment mechanism to require suppliers to provide competitive quality, delivery time and technology, TECO also deepens management through specially formulated supplier ESG terms, creating manufacturer ESG evaluation form, increasing the proportion of localized procurement strategy, and signing the "RoHS Compliant Warranty", "statement of no conflict minerals" and "letter of commitment for human rights and environmental sustainability".	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
V. Does the company refer to the internationally-accepted reporting standards or guidelines to prepare sustainability reports and other reports that disclose non-financial information? Has the aforesaid reports received assurance or certification from a third-party accreditation institution?			The content and structure of the report are mainly based on the core or all options of the GRI standards issued by the Global Reporting Initiative (GRI), and are presented based on the AA1000 standard and BSI to ensure correctness.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
VI. Should the company formulate own sustainable development practice principles according to “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Company,” specify its execution and difference with the principles: The Company has the sustainable development best practice principles, which covers the overall operation activities of the Company and its group enterprises. In corporate operation, the Company is expected to actively implement the international development trend of sustainable development, enhance the national economic contribution, improve the quality of life of employees, communities and society, and build its competitive advantage based on sustainable development through fulfilling the responsibility of corporate citizens. There is no difference in implementation results.				
VII. Other important information to facilitate better understanding of the Company's sustainable development practices: Since 2022, TECO has set up "ESG Promotion Office" to regularly report to chairman, follow up with implementing TECO sustainable development goals and policies, TECO declares "50% carbon reduction in ten years". 50% of carbon reduction will be achieved by 2030. The goal of carbon neutralization will be achieved by 2050.				

### 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”

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
I. Formulate policy and program for ethical corporate management (I) Whether the company has explicitly expressed the policy and methods of ethical corporate management in its charter and outbound documents and whether the board of directors and management have fulfilled the commitment to the policy of ethical corporate management  (II) Whether the company has established an assessment mechanism for the risk of	V		(I) "Operate with integrity, implement corporate governance, and fulfill Social Responsibility, Pursuing Sustainable Management" is TECO's core value. The company has yet to formulate “Ethical Corporate Management Best Practice Principles” on August 14 in 2014, and amended on December 23 in 2016 and November 12 2019. The board also amended “Rules of Ethical Conduct to Directors and Managerial Officers” on March 20 2015. Besides the policies mentioned above disclosed on the company's website, the company's directors and management have signed “Integrity Statement” to cautiously fulfilling their duties in compliance with the obligation of attention of a prudent administrator. The company in August 2018 set up the “Corporate Governance and Sustainability Committee” and formulated “Corporate Governance and Sustainability Committee Charter” on August 13th 2018. The committee consists of more than three directors of whom over half are independent directors. An independent director was elected as meeting convener and chairman who is responsible for evaluating performance in corporate governance and social responsibility as well as ethical operation.  (II) The company's board of directors decided on November 12, 2019 to amend the company's "Ethical Corporate Management Best Practice	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies

Evaluation items	Execution (note 1)			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summarized Explanation	
<p>unethical, regularly analyzes and evaluates business activities with a high risk of unethical in the business scope, and accordingly formulates a plan to prevent unethical, and at least cover the preventive measures for the conduct of the second paragraph of Article 7 of the "Code of Integrity Management of Listed OTC Companies"</p> <p>(III) Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent unethical behaviors, and implement it, and regularly review and revise the pre-disclosure plan?</p>			<p>Principles ", clearly listing the evaluation mechanism for the risks of unethical business activities, preventing from items of the scope covering various behaviors of article 7-2 of "Code of Integrity Management of Listed Companies" (I. bribery and acceptance of bribes. II. Providing illegal political donations. III. Improper charitable donation or sponsorship. IV. provide or accept unreasonable gifts, hospitality or other irregularities. V. Infringement of business secrets and trademarks, rights, patent rights, copyrights and other intellectual property. VI. Engaging in unfair competition VII. Direct or indirect damages to consumers' or other interested parties' benefit, health and safety during R&amp;D, procuring, manufacturing, offering or selling products and services) Accordingly, Legal and Compliance Division announced the implementation of the "fraud business risk assessment mechanism" on July 27, 2020. Various departments of the Company shall conduct a review report on the risk of unethical behavior in the first and second half of each year, and update the analysis, evaluation and preventive measures plan of the risk of unethical behavior in the next year. In addition, the company formulated "Procedures for Ethical Management and Guidelines for Conduct" to prevent the company members from failing to perform business. Please refer to the evaluation item (3).</p> <p>(III) The " Procedures for Ethical Management and Guidelines for Conduct " formulated by the company on November 16, 2017. It is clearly stipulated that employees shall not directly or indirectly provide, promise, request or receive any illegitimate benefits in the execution of their business, or make other acts that violate good faith, illegality or breach of acceptance. Dishonest acts such as fiduciary duty to obtain or maintain benefits. In order to urge employees to maintain an awareness of integrity behaviors, the company will not only disclose the integrity standards related to business behaviors to internal website, and encourage employees to sign the "Integrity Statement" (the signing rate reached 100% in 2021) with all companies around the world. Customs enterprises signed a letter of commitment for honest management of the companies (100% completion rate). In addition, the system's propaganda should be followed when conducting honest behaviors with colleagues through multiple methods such as education courses and quarterly conferences. In addition, in order to implement the high requirements of compliance with laws and regulations and professional ethics, the company has set up a " Bylaws to report cases</p>	

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
			of illegal and unethical conduct”, establish the company’s internal and external reporting channels and handling systems, and set up the "Legal & Compliance Division" under the board of directors as the responsible unit for integrity management, responsible for the implementation of integrity management policies and prevention plans, At the same time, it reviews regularly, and the recent board of directors’ resolution on March 17, 2020 passed the amendment to the " Procedures for Ethical Management and Guidelines for Conduct."	
II. Materialize ethical corporate management	V		<p>(I) When the company conducts external commercial activities, it will consider its integrity record before dealing with the counterparty. The Company's Board of Directors' legal &amp; compliance division also incorporates the terms of good faith into the company's various types of system contracts, requiring the transaction partners to strictly observe integrity code. The Human Rights and Environmental Sustainability Commitment amended on June 10, 2021 requires the trading partners to sign the sustainable development statement. The priority is given to those enterprises that sign the integrity commitment.</p> <p>(II) The company has established the Board of Directors' legal &amp; compliance division to promote dedicated units for the formulation of integrity management policies and prevention plans. On January 12, 2021, September 11, 2021, it reported annual work plan and its implementation in "Corporate Governance and Sustainability Committee". And regularly report to the board of directors semiannually (in the year 2021 of the board of directors on March 2 and Nov 5). The measurement for fraud business risk assessment mechanism was released on July 27, 2020. The risk review and report of unethical behavior was accessed in the first and second half of 2021 in accordance with the measures in 2021. The risk analysis and preventive measures plan for unethical behavior in 2022 was updated on December 10, 2021.</p> <p>(III) The company has formulated “Procedures for Ethical Management and Guidelines for Conduct” and “Rules of Ethical Conduct to Directors and Managerial Officers” , demanding all staffers not to take benefits and sacrifice the company’s interests for personal benefits. When discovering violation of integrity-related regulations, one can make compliant or report, according to the company's " Rules of Ethical Conduct to Directors and Managerial Officers ". For the accused, it also provides the opportunity to</p>	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies



Evaluation items	Execution (note 1)			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summarized Explanation	
(IV) 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.			express their opinions or appeal. (IV) In order to ensure the implementation of integrity management, the correctness of accounting and financial processes and the effectiveness of internal control, the company has an "audit committee" to supervise the "finance and management center" which is responsible for dynamic management of financial risks. Annually consider the five elements of laws and regulations compliance, COSO internal control, and according to the company's strategic objectives and past audit experience, internal audit division evaluates the company's risks at all levels under the existing organizational structure, and propose an audit plan for the following year. The audit committee (Dec 13, 2021) and the board of directors (Dec 20, 2021) to report and approve the compliance status of the regular inspection system. In the fourth quarter of each year, the internal control system self-assessment of each business unit and important affiliated companies will be carried out, and the internal control system will be self-evaluated in the first quarter, based on the audit committee report (March 16, 2021) and board meeting (March 23, 2021). In addition, through the annual internal control self-assessment, each business group of TECO must self-examine the effectiveness of the internal control system design and implementation.	
(V) Whether the company had held internal or external education and training regularly on ethical corporate management.			(V) TECO regularly organizes internal education and training courses such as training for new recruits and new supervisors every year, and at the same time announces the " Ethical Corporate Management Best Practice Principles " and "Procedures for Ethical Management and Guidelines for Conduct " related to integrity management regulation, and at least once a year, the relevant laws and regulations shall be carried out on directors, managers and employees for education promotion. The Company has delivered relevant training and information sessions for the incumbent directors, managers and employees on March 12, 2021, June 18, 2021, September 3, 2021 and November 19, 2021. The course contents include compliance with integrity business laws and regulations, fair trading laws and regulations, corporate governance spirit, intellectual property management and protection system, TIPS system introduction, with a total of 1,022 employees/times participated and a total of more than 58,480 minutes. September 27, 2021, also invited to gather all the representative of the affiliated companies held a seminar on promoting integrity management to connect TECO to implement the group's core values of integrity management. Besides	

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
			the employees of TECO have promoted the completion of the "Integrity Statement" (signing rate 100% as of Sep 21, 2020, all new employees signed when they report for duty in 2021), according to the "Preventing Insider Trading Rules and Major Internal Information Processing Procedures", the promotion on the relevant laws and regulations preventing insider trading procedures to the directors, supervisors, managers, and employees shall handle at least once every year. New directors, supervisors and managers shall be provided with education and publicity in a timely manner. The human resources unit promoted during the pre-employment training. After class, they were tested how they learned from class and place the course briefings and audiovisual files in the internal staff system. All employees are asked to pass the tests.	
III. Implementation of whistleblowing system (I) Has the Company established a concrete whistleblowing and reward system, established convenient whistleblowing channels, and designated appropriate personnel to handle the case being exposed by the whistle-blower?  (II) Has the company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?  (III) Has the Company established measures to protect whistleblowers from retaliation?	V		(I) As part of the company's reporting system, the company has formulated "Bylaws to report cases of illegal and unethical conduct," to regulate employees in compliance with integrity behavior. In case of any suspended fraud found, the employees shall be liable for giving a warning, and has instituted reporting e-mail address (integrity@teco.com.tw) with the audit division. The Company shall set up a hotline and integrity reporting system for employees, external personnel, manufacturers to directly report any unethical behaviors against financial, legal and integrity regulations. The audit division under the board shall be responsible for receiving and processing such cases.  (II) For "Bylaws to report cases of illegal and unethical conduct", Articles 3 and 4 specify channels of reporting and handling procedures while the standard operating procedures for the investigation of the reported matter and the follow-up measures to be taken after the investigation is completed, and the confidentiality mechanism is specified in Article 4, Item 5. For the informant or the personnel participating in the investigation and the content, the company adopts confidentiality and prudent procedure.  (III) Provision 5 under Articles 4 of "Bylaws to report cases of illegal and unethical conduct" specifies secrecy mechanism that protects the reporters or responsible investigators and content of reporting from unfair treatment or revenge.	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
IV. Intensifying information disclosure (I) Whether the company has disclosed its “Ethical Corporate Management	V		(I) The company places relevant norms and publicity information on integrity management on its internal website for colleagues to inquire at	Compliance with “Ethical Corporate Management Best

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
Best Practices Principles” on its website and the implementation effect.			any time. TECO’s external website ( <a href="https://www.teco.com.tw">https://www.teco.com.tw</a> ) placed the annual report under “Investor Relations” (also placed at the Public Information Observatory) and corporate governance/management team and internal rules of the organization under “About TECO”, and the corporate social responsibility report under Corporate Social Responsibility are also fully disclosed with the relevant policy requirements, rules and regulations and information on integrity management.	Practice Principles for TWSE/GTSM-Listed Companies
V. 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. The company operation and guidelines comply with the Ethical Corporate Management Best Practice Principles.				
VI. Other key information conducive to the understanding of the company’s integrity-related affairs: (e.g. the Company reviews and amends its code of business conduct and ethics) The company materializes ethical corporate management via compliance with Company Law, Securities Exchange Act, and regulations and laws governing listed firms, in addition to forbidding unethical behaviors in business dealings. The company has amended the " Ethical Corporate Management Best Practice Principles " on November 12, 2019; On March 17, 2021, amended the "Procedures for Ethical Management and Guidelines for Conduct"; On June 10, 2021, amended "Human Rights and Environmentally Sustainable Commitment".				

### 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:

Title	Name	Date	Organizer	Training Course	Time
Chairman	Tung Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu	Jul 29, 2021	Taiwan Institute for Sustainable Energy	The 25th CEO talk and Special Lecture	2 hrs
		Oct 28, 2021	Taiwan Institute for Sustainable Energy	The 26th CEO talk and Special Lecture	2 hrs
		Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Director	Tong Ho Global Investment Co., Ltd. Representative: Cheng-Tsung Huang	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Director	Show-Shoun Chou	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs

Title	Name	Date	Organizer	Training Course	Time
Director	Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Director	Yinge Int. Inv. Co., Ltd Representative: Li-Chong Huang	September 1, 2021	Financial Supervisory Commission (FSC)	The afternoon session of the 13th Taipei Corporate Governance Forum	3 hrs
		Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Director	Creative Sensor Co., Ltd. Representative: Johnson Hou	August 9, 2021	Taiwan Corporate Governance Association	How the Company have risk management in response to COVID-19	3 hrs
		September 15, 2021	Digital Governance Association	Director and supervisor responsibility and risk management workshop	3 hrs
Director	Song-Ren Fang	May 7, 2021	Taiwan Corporate Governance Association	Corporate governance and enterprise operating management	3 hrs
		September 1, 2021	Financial Supervisory Commission (FSC)	The afternoon session of the 13th Taipei Corporate Governance Forum	3 hrs
Independent Director	Wei-Chi Liu	May 12, 2021	Accounting Research and Development Foundation	Era of sustainable industrial competitiveness	3 hrs
		August 10, 2021	Taiwan Corporate Governance Association	Asset safety accident response practice under the new normal of post epidemic	3 hrs
Independent Director	Hsieh-Hsing Huang	August 10, 2021	CPA Associations R.O.C. (Taiwan)	Analysis of the latest tax laws and practices in the first half of 2021	4 hours
		August 19, 2021	CPA Associations R.O.C. (Taiwan)	CPA's responsibility and response to shareholder disputes	3 hrs
		August 26, 2021	CPA Associations R.O.C. (Taiwan)	Accounting Standards: Accounting treatment of investment in affiliated enterprises	3 hrs
		September 1, 2021	Financial Supervisory Commission (FSC)	The morning session of the 13th Taipei Corporate Governance Forum	3 hrs
		Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
Independent Director	Li-Chen Lin	August 27, 2021	Taiwan Corporate Governance Association	Employee Compensation Strategies and Tools	3 hrs
		August 27, 2021	Taiwan Corporate Governance Association	The latest development and countermeasures of cross-strait anti-tax avoidance	3 hrs
		September 1, 2021	Financial Supervisory Commission (FSC)	The morning session of the 13th Taipei Corporate Governance Forum	3 hrs
		September 1, 2021	Financial Supervisory Commission (FSC)	The afternoon session of the 13th Taipei Corporate Governance Forum	3 hrs
Independent Director	Shiang-Chung Chen	April 9, 2021	Taiwan Corporate Governance Association	Global economy outlook for 2021	3 hrs
		Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs

## C. Advanced studies for managing officers in 2021:

Title	Name	Date	Organizer	Traning course	Time
President	Jau-Tsu Lien	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Business Group President	Fei-Yuan Kao	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Business Group President	Sung-Pin Chang	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
Business Group President	Chi-Tseng Peng	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Assistant Vice President	Sheng-chyuan Lin	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
General Director of TECO group research institute	Kun-Yao Ho	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
Corporate Governance Officer	Shih-Hsiung Chien	Jan 5, 2021	Taiwan Business Council for Sustainable Development	2020 Taiwan Sustainable Finance Forum - building a sustainable financial ecosystem	3 hrs
		Sept 30, 2021	Independent Director Association Taiwan	Board case - simulated exercise	3 hrs
		Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Nov 15, 2021	Taiwan Institute of Directors	The 10th Chinese Family Enterprise Annual Forum	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs
Accounting Chief	Tommy Wu	Nov 5, 2021	Taiwan Investors Relation Institute	Information security and risk trend analysis	3 hrs
		Dec 20, 2021	Taiwan Investors Relation Institute	The latest international EGS policy and trend analysis	3 hrs

## D. The situation of resignation in the Company:

Title	Name	On Board Date	Date of resignation	Reason
Director	Mao-Hsiung Huang	July 23, 2021	October 1, 2021	Change the representative
Director	Yu-Ren Huang	July 23, 2021	Dec 30, 2021	Change the representative

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

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

In accordance with the Company's "Criteria for Nomination of Candidates for Directors", candidates for directors were selected and nominated by the "corporate governance and sustainability committee" in Q1, 2021, and formally nominated at the shareholders' meeting after being submitted to the board of directors for review. 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. The company implements the board diversity policy in accordance with the "Corporate Governance Best Practice Principle". Currently, 11 directors (including 4 independent directors) were elected at 2021 Shareholders' Meeting (July 23, 2021) with diverse and complementary industry experience and professional capabilities in finance, finance and accounting. Independent directors increase from 20% to 36.36%; the number of female directors increased to 2, accounting for 18.18% from 6.67%.

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.

The succession plan of important management is planned to meet the strategic development of the Company. In case of vacancy of important management positions due to the strategic layout of the Company, the priority is given to personnel from the succession talent pool. The succession plan is described below:

- I. Targets: The succession plan for important managers mainly aims at assistant managers, acting president of business groups, acting president and other appointed managers.
- II. Selection criteria: In addition to work ability and performance, the successors shall demonstrate five values advocated by the Company, such as ambition, customer orientation, teamwork, integrity and innovation, as well as macro and inclusive leadership, and with operation and management ability and thinking.
- III. Practices:
  - (1) Talent pool: Director-level managers will be selected in the succession talent pool of important management.
  - (2) Selection: Through talent evaluation and review, the Company will regularly check the availability of the talent pool, and tailor individual career development plans according to the short, medium and long-term succession needs of the group.
  - (3) Training development: Tutor system, rotation and assignment, management functional training, personal development plan.

Mr. Jau-Tsu Lien, the president, joined the TECO Group in 2001. He successively led the heavy industry division, the information electronics business group, the new business promotion center, and the electrification product division. He took over as the Acting President in 2018 and was appointed as President in December 2020. President Lien is expected to retire on April, 2022, due to age limit. The new president, Thomas Fann, who will join the TECO group on April 7, 2022, is a professional manager with extensive experience. TECO expects the new president will inject new element of mindset and innovation to the company's operation.

### 3.3.9 Internal Control System

1. Please refer to page 82 of the Chinese annual report.
2. Those who entrust an accountant to review internal controls should disclose the accountant's review report:  
None

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

None

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

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

- March 2, 2021 The board of directors resolved to convene a regular shareholder meeting on 05/25/2021 at the conference hall of Nangang Exhibition Center Hall 2 (7th Floor, No. 2, Jingmao 2nd Road, Nangang District, Taipei City), and the period of cessation of transfer is 03/27/2021~05/25/2021. When considering that the meeting place of the shareholders meeting needs to be changed due to the impact of the epidemic before May 25, 2021, the board authorized the chairman full authority to deal with related matters
- As the shareholders' meeting is affected by COVID and some of the originally leased venue transferred to the Ministry of Foreign Affairs for travel bubble by the organizer, upon the authorization of the board, the chairman changes the venue to No. 11, Andong Rd, Zhongli District, Taoyuan City (Zhongli Plant of the Company).
- March 23, 2021 (1) 2020 consolidated financial report resolved by the board of directors, which shows that consolidated operating revenue stood at NT\$45,823,430 thousand, net profit reached at 3,811,648 thousand and net income attributable to the parent company is NT\$3,511,358 thousand, with earnings per share reaching NT\$1.81.
- (2) The board of directors approved employees' bonus of NT\$ 284,575 thousand and directors' remuneration of NT\$109,939 thousand in 2020. The above amount will be distributed through cash.
- (3) The Board of Directors resolved cash dividend NT\$1.15 per share with the total amount NT\$ 2,459,616 thousand.
- April 12, 2021 The board of directors reviewed and approved the proposal of shareholders who hold more than 1% of shares of the Company, and submitted it to the 2021 shareholders' meeting for resolution.
- May 7, 2020 (1) The consolidated financial report for the first quarter of 2021 was submitted to the board of directors, which shows that the consolidated operating income was NT\$11,991,051 thousand, the cumulative net profit before tax was NT\$1,432,149 thousand, the cumulative net profit attributable to the parent company was NT\$1,101,644 thousand with the basic earnings per share was NT\$0.53.
- (2) The board of directors resolved to pay cash dividend NT\$1.15 per share, as total amount of NT\$ 2,459,616 thousand. The ex-dividend base date was June 15, 2021, and the cash dividend payment date was July 12, 2021.

- July 6, 2021 In response to the “Measures relating to the extension of the shareholders’ meeting of the public company affected by COVID-19” announced by the Financial Supervisory Commission, the board of directors extended the shareholders’ meeting in 2021 to July 23, 2021.
- July 23, 2021 Important resolutions in Annual Shareholders’ Meeting
- (1) Acknowledged 2020 business report and financial statement (proposed by the board).
  - (2) Acknowledged 2020 profit distribution plan (proposed by the board)
  - (3) Selected the 26th board of directors (including independent directors) of the company (proposed by the board)
  - (4) Approved the proposal for the removal of the non-competition restrictions for the 26th directors (including independent directors). (proposed by the board)
  - (5) Disapproved the review and improvement of reinvestment enterprises. (Proposal by shareholders who hold more than 1% of shares)
  - (6) Special motion:  
The board of directors of TECO is suggested to discuss the public acquisition of Creative Sensor Inc., resulted in the Company holding more than 51% shares, and such propose is submitted for resolution. The proposed shareholders suggested that the board of directors and independent directors of TECO should actively assist Yu-Rui Co., Ltd. and An Fu International Investment Co., Ltd. to successfully acquire Creative Sensor Inc. and TIS. It also suggested that the board of directors should actively plan for consolidation in other ways, including taking back the ownership of these two companies through public acquisition. (Proposal by shareholders who hold more than 1% of shares)
- July 23, 2021 Chairman was selected at the first meeting of the 26th board of directors.
- August 6, 2021 (1) The consolidated financial report for the second quarter of 2021 was submitted to the board of directors, which shows that the consolidated operating income was NT\$25,477,693 thousand, the cumulative net profit before tax was NT\$3,189,836 thousand, the cumulative net profit attributable to the parent company was NT\$2,538,250 thousand with the basic earnings per share was NT\$1.21.
- (2) The board of directors approved the appointment of members of the new "Compensation Committee".
- Nov 5, 2021 Submission of 2021 Q3 consolidated financial report to the board of directors, which shows that consolidated operating revenue stood at NT\$38,718,953 thousand, pre-tax profit reached at NT\$ 5,305,006 thousand and net income attributable to the parent company is NT\$4,116,999 thousand in the first three quarters of 2021, with earnings per share reaching NT\$1.96.
- Dec 20, 2021 The board approves to increase two seats for the Compensation Committee, i.e. Hsieh-Hsing Huang (independent director) and Li-Chen Lin (independent director).
- March 3, 2022 The board of directors decided to convene the shareholders' meeting on May 20, 2022 at No. 11, Andong Rd, Zhongli District, Taoyuan City (Zhongli Plant of the Company), and the cessation of transfer period was from March 22, 2022 to May 20, 2022.
- March 16, 2022 (1) 2021 consolidated financial report resolved by the board of directors, which shows that the consolidated operating income of NT\$52,557,027 thousand, accumulated net profit of NT\$6,151,878 thousand in the current period, accumulated net profit attributable to the owner of the parent company of NT\$5,013,134 thousand, and accumulated basic earnings per share of NT\$2.38.
- (2) The board of directors approved the directors and employees' bonus of NT\$ 303,727 thousand and directors' remuneration of NT\$85,273 thousand in 2021. The above amount will be distributed in cash.
- (3) The board of directors approved the retirement proposal of President Jau-Tsu Lien and newly appointed President Thomas Fann. The new appointment takes effective on April 7, 2022.
- (4) The Board of Directors resolved cash dividend NT\$1.35 per share with the total amount NT\$



2,887,375 thousand.

- (5) The board of directors approved the amendment to the company's "procedures for the acquisition or disposal of assets" and submitted it to the 2022 shareholders' meeting for resolution.

**B. Implementation of Resolutions made in Annual Shareholders' Meeting on July 23, 2021.**

Number	Resolution	Implementation
1.	Acknowledged 2020 business report and financial statement. (proposed by the board)	※ The proposal was approved by the participating Shareholders with 97.32% approved percentage.
2	Acknowledged 2020 profit distribution. (proposed by the board)	※ The proposal was approved by the participating Shareholders with 97.34% approved percentage.
3	Selected the 26th board of directors (including independent directors) of the company (proposed by the board)	1. 11 directors (including 4 independent directors) were elected at the 26th board of directors for a term of three years from July 23, 2021 to July 22, 2024. 2. The appointment of new directors was approved by the Department of Commerce, the Ministry of Economic Affairs, for registration on August 27, 2021 (No. 11001140540).
4	Lifted the restrictions on non-competition of the 26th board of directors (proposed by the board)	※ The proposal was approved by the participating Shareholders with 91.48% approved percentage.
5	Review and improvement of reinvestment business (Proposal by shareholders who hold more than 1% of shares)	※ The proposal was disapproved by the participating Shareholders with 30.59% approved percentage.
6	Special motion: The board of directors of TECO is suggested to discuss the public acquisition of Creative Sensor Inc., resulted in the Company holding more than 51% shares, and such propose is submitted for resolution. (Proposal by shareholders who hold more than 1% of shares)	※ The proposal was approved by the participating Shareholders with 54.41% 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**

Title	Name	On Board Date	Date of Resignation	Reason
Head of Internal Audit	Dora Lin	Oct 12, 2009	April 12, 2021	Position Change

### 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	2021	

#### 3.4.2 Table of Brackets for CPA Fees

Unit: NT\$ thousand

Name of accounting firm	CPA names	Auditing period	Auditing fee	Non-auditing fee	Total	Note
Pricewaterhouse Coopers	Wu, Yu-Lung	2021/1/1~12/31	13,530	-	13,530	
	Chou, Chien-Hung					
Pricewaterhouse Coopers	Hsu, Li-Chen	2021/1/1~12/31	-	2,300	2,300	Note
	Huang, Ching-Yen					

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

#### 3.4.3 Non-inspection fees for CPAs, accounting firms, and its affiliates account for over one quarter of inspection fee: None

#### 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: None

#### 3.4.5 Auditing fee decreases by over 10% from the previous year: None

### 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: None

### 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 (with more than 10% shareholding)

## 3.7.1.1 Changes in Shareholding of Directors

Unit: Share

Title	Name	2021		Mar. 31, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Tong Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu	(150,000)	11,300,000	0	0
		0	0	0	0
Director	Tong Ho Global Investment Co., Ltd. (Note 1) Representative : Cheng-Tsung Huang	0	0	0	0
		0	0	0	0
Director	Ho Yuan International Investment Co., Ltd. Representative: Pen- Ching Cheng	19,232,000	0	3,002,000	0
		0	0	0	0
Director	Yinge Int. Inv. Co., Ltd Representative : Li-Chong Huang	1,400,000	0	6,700,000	0
		0	0	0	0
Director	Creative Sensor Inc. (Note 2) Representative: Johnson Hou	46,579,000	15,700,000	0	0
		0	0	0	0
Director	Show-Shoun Chou	0	0	0	0
Director	Song-Ren Fang	0	0	0	0
Indepent Director	Wei-Chi Liu	0	0	0	0
Indepent Director	Hsieh-Hsing Huang	0	0	0	0
Indepent Director	Li -Chen Lin	0	0	0	0
Indepent Director	Shiang-Chung Chen	0	0	0	0

Note 1: The representative of Tong Ho Global Investment Co., Ltd changed from Mao-Hsiung Huang to Cheng-Tsung Huang on October 1<sup>st</sup> 2021.

Note 2: The representative of Creative Sensor Inc. changed from Yu-Ren Huang to Johnson Hou on December 30<sup>th</sup> 2021.

Note3: Changes in shareholdings are calculated based on the shareholder register or the number of shares held by shareholders announced in accordance with the law.

## 3.7.1.2 Changes in Shareholding of Managers

Unit: Share

Title	Name	2021		Mar. 31, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
President	Jau-Tsu Lien	0	0	0	0
Business Group President	Sung-Pin Chang	0	0	0	0
Business Group President	Chi-Tseng Peng	0	0	0	0
Business Group President	Fei-Yuan Kao	0	0	0	0
Assistant Vice President	Sheng-Chyuan Lin	0	0	0	0
General Director of Teco Group Research Institute	Kun-Yao Ho	0	0	0	0
Corporate Governance Officer	Shih-Hsiung Chien	0	0	0	0
Accounting Chief	Tommy Wu	0	0	0	0

Note 1 : Hong-Hsiang Lin retired on July 17 2021; Kuo-Min Chen resigned on July 30 2021; Hank Horng's position was adjusted on November 5 2021.

Note 2 : Changes in shareholdings are calculated based on the shareholder register or the number of shares held by shareholders announced in accordance with the law.

### 3.7.1.3 Changes in Shareholding of Major Shareholders

Unit: Share

Title	Name	2020		Mar. 31, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major Shareholder	Walsin Lihwa Corporation	16,663,000	0	0	0

### 3.7.2 Shares Transfer with Related Parties

Name (Note 1)	Reason of Transfer (Note 2)	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Transaction Price (NTD)
None						

### 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, 2022

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	373,237,991	17.45	0	0%	0	0%	None	-	-
Walsin Lihwa Corporation	230,438,730	10.77	0	0%	0	0%	None	-	-
Jaryuan Investment Co. Ltd	135,653,000	6.34	0	0%	0	0%	Ho Yuan International Investment Co., Ltd.	Related party	-
Creative Sensor Co., Ltd.	77,519,000	3.62	0	0%	0	0%	None	-	-
Ho Yuan International Investment Co., Ltd.	45,701,000	2.14	0	0%	0	0%	Jaryuan Investment Co. Ltd	Related party	-
Silchester International Investors International Value Equity Trust	45,069,000	2.11	0	0%	0	0%	None	-	-
Tong Kuang Investment Co., Ltd.	31,991,364	1.50	0	0%	0	0%	None	-	-
WGI Emerging Markets Smaller Companies Fund, LLC	30,859,000	1.44	0	0%	0	0%	None	-	-
Norges Bank	28,878,193	1.35	0	0%	0	0%	None	-	-
Kuan Yuan Industrial Co., Ltd.	26,833,919	1.25	0	0%	0	0%	None	-	-

### 3.9 Long-Term Investments Ownership

December 31, 2021

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.	74,409,668	100.00%	0	0.00%	74,409,668	100.00%
TECO Holding, USA	1,680	100.00%	0	0.00%	1,680	100.00%
TECO Electric & Machinery Pte Ltd. Singapore	7,200,000	90.00%	800,000	10.00%	8,000,000	100.00%
Tong An Assets Management & Development Co., Ltd.	395,415,338	100.00%	0	0.00%	395,415,338	100.00%
Appliance (HK) Ltd.	1,499,999	99.99%	1	0.00%	1,500,000	99.99%
Tong An Investment Co., Ltd.	508,860,935	99.60%	2,043,618	0.40%	510,904,553	100.00%
TECO Electro Devices Co., Ltd.	10,770,864	62.57%	259,926	1.51%	11,030,790	64.08%
Tecnos International Consultant Co., Ltd.	6,952,885	57.52%	1,936,069	16.02%	8,888,954	73.54%
UVG Investment Co., Ltd.	195,416,844	100.00%	0	0.00%	195,416,844	100.00%
Information Technology Total Services Co., Ltd.	11,467,248	41.97%	1,924,250	7.04%	13,391,498	49.01%
Tesen Electric & Machinery Co., Ltd.	20,000,000	100.00%	0	0.00%	20,000,000	100.00%
GD TECO Taiwan Co., Ltd.	7,644,933	100.00%	0	0.00%	7,644,933	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%
An Tai International Investment Co., Ltd.	34,850,007	100.00%	0	0.00%	34,850,007	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	60,090,307	63.52%	0	0.00%	60,090,307	63.52%
E-Joy International Co., Ltd.	7,420,844	93.38%	390,570	4.92%	7,811,414	98.30%
A-Ok Technical Co., Ltd.	1,950,000	86.67%	0	0.00%	1,950,000	86.67%
TECO Technology (Vietnam) Co., Ltd.	0	100.00%	0	0.00%	0	100.00%
TECO (Philippines) 3C & Appliances, Inc.	2,604,000	60.00%	0	0.00%	2,604,000	60.00%
An-Sheng Travel Co., Ltd.	480,000	16.00%	2,207,500	73.58%	2,687,500	89.58%
Taiwan Pelican Express Co., Ltd.	24,121,700	25.27%	7,740,800	8.11%	31,862,500	33.38%
Eagle Holding Co.	1	100.00%	0	0.00%	1	100.00%
Century Development	100,592,884	28.67%	84,513,508	24.08%	185,106,392	52.75%
Teco Sun Energy	2,100,000	30.00%	2,100,000	30.00%	4,200,000	60.00%
Temico International Pte. Ltd.	5,448,000	60.00%	0	0.00%	5,448,000	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 “Preventing Insider Trading Rules and Major Internal Information Processing Procedures” and announced to the employees to follow.