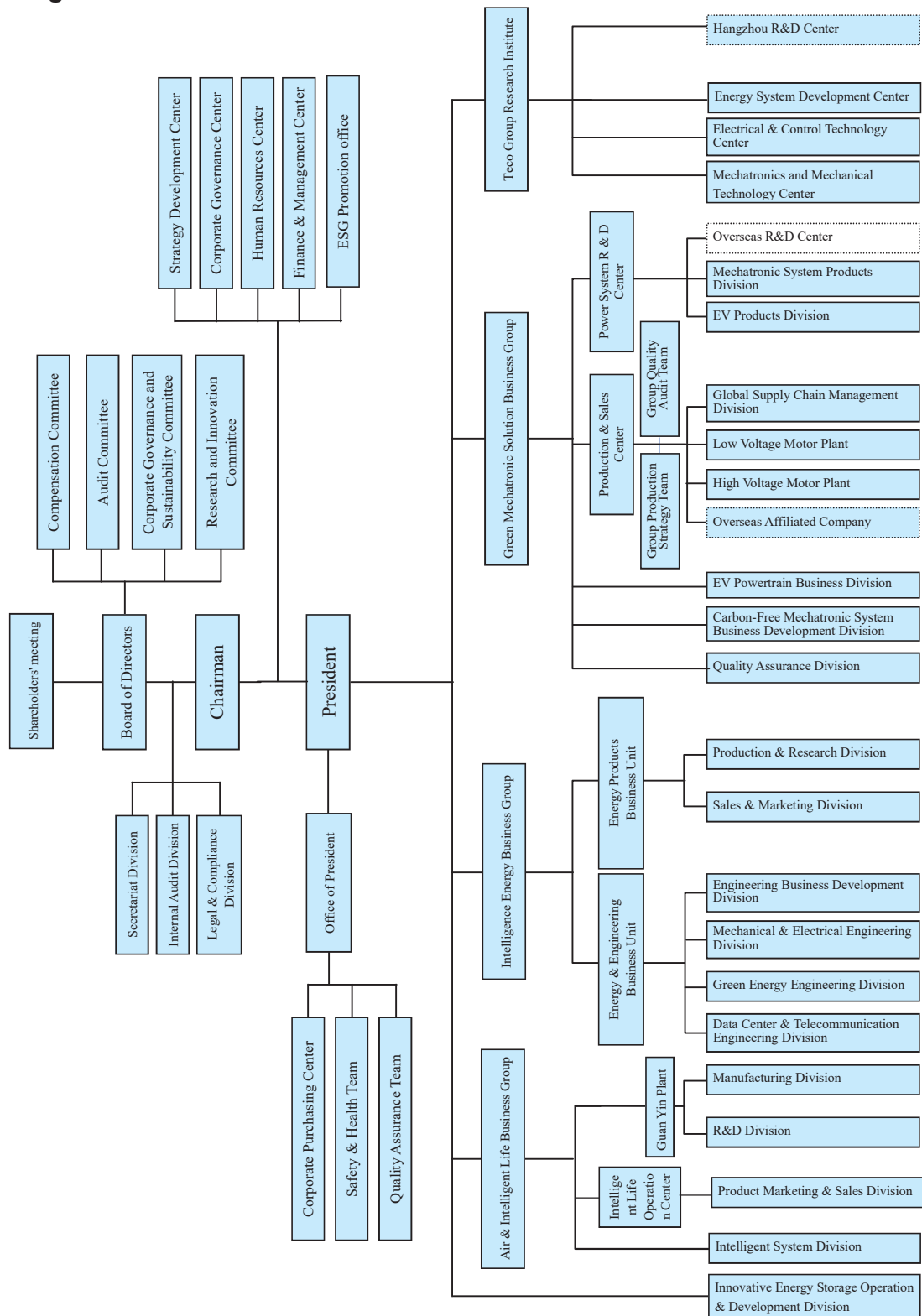


III. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Business Unit	Operations
Green Mechatronic Solution	Manufacturing and sale of single-phase motor, EV motor, permanent-magnet motor, three-phase motor, steel casting, high-performance energy-conserving motor, variable-frequency motor, direct-current motor, inverter, programmable controller, and servo controller.
Intelligence Energy	<ul style="list-style-type: none"> • Electromechanical engineering (project, management, design, procurement, construction, and maintenance and repair), including setup of IDC information equipment room, renewable energy (including offshore wind power, PV power) and energy storage system, micro-grid, general development program, civil engineering and transportation engineering, medical biotech and plant • Electric equipment (switchboard, generator, power-distribution devices, power supply and distribution plan, design, and construction) • Electric equipment (switchboard, generator, power-distribution devices, power supply and distribution plan, design, and construction) • Equipment products (green energy market, PV power, storage, charging MCCB/SPD/Fuse, Taipower market) • 161/69 KV GIS, 15KW elevated circuit switch, low-voltage streetlamp switch, 22.8 KV fuse chain switch, house/factory market-electric magnetic switch, no fuse circuit breaker, communications meter, biomass/diesel fuel generator, outdoor PCS energy storage system.
Air and Intelligent Life	Household air conditioners, refrigerator, washing machine, clothes dryer, LCD display, home appliance, seasonal home appliances, beauty home appliances, kitchen home appliances, low-temperature roller container, freezing machine, variable-frequency water cooling machine tool, assembly air-conditioning box, variable-frequency VRF air-conditioning unit, water-cooling fully closed/semi-closed spiral/centrifugal chiller, cloud-end smart system, commercial air- and water-cooling air conditioner, air-/water-cooled spit air conditioner, air-type water chiller, cloud-end smart system, air-type chiller, air door, industrial dehumidifier, freezing and refrigerating unit, brine machine, agent for domestic and foreign branded home appliances, and manufacturing, assembly, sale and repair and maintenance of various air-conditioning products. Financial payment, medical care, transportation ticket RFID and other smart cards, membership loyalty system, e-invoice platform, integrated warehousing management platform, automated vending machine, meal ordering machine, and personal conference room.
Innovative Energy Storage Operation & Development Division	<ul style="list-style-type: none"> • Energy-storage system EPC engineering integration, operation, and maintenance • Development of PV power station, development and integration of PV power system EPC engineering integration, investment, installation, and operation • Virtual power plant, business development of virtual power plant, continuing increase of PV power station capacity
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

April 10, 2024

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 S.p.A ...	-	-
	ROC	Representative: Chwen-Jy Chiu	Female 61~70	2021.7.23	3	2006.6.15	0	0%	2,354,618	0.11%	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 Aurotek Corporation	-	-
		Representative: Cheng-Tsung Huang	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%	6,000	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%	50,420,000	2.36%	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	-	-
	ROC	Representative: Li-Chong Huang	Male 51~60	2021.7.23	3	2021.1.1	0	0%	0	0%	0	0%	0	0%		Director of Ta Hong Machinery Co., Ltd.	-	-
Director	ROC	Creative Sensor Inc.		2021.7.23	3	2009.6.19	77,519,000	3.62%	46,987,000	2.20%	0	0%	0	0%		Director and Executive Vice President of Universal Cement Corporation	-	-
	ROC	Representative: Jack Hou	Male 31~40	2021.7.23	3	2021.7.23	0	0%	0	0%	0	0%	0	0%	AM, East Asia Studies, Harvard University	Director of Tainan Spinning Co., Ltd.	-	-

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 Kellogg Graduate School of Management, Northwestern University, USA	Independent Director of Fusheng Precision Co., Ltd and An-Shih Food Co., Ltd.	-	-	-
Independent Director	ROC	Hsieh-Hsing Huang	Male 61~70	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 Bachelor of Department of Law, National Taipei 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			

Information disclosure of Director qualifications and independence of independent directors

Criteria	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<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</p> <p>(Note I)</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. She once served as vice president in charge of business at the Taipei branch of ABN AMRO.</p> <ul style="list-style-type: none"> ● Industry experience: Joined the TECO Electric & Machinery management team in 1997, serving as Director of Finance, Deputy General Manager of Home Appliance Division, Vice President, and General Manager. ● Risk management experience: Serving as a member of the Corporate Governance and Sustainability Committee of the company, which is responsible for overseeing the execution of risk management operations, including "sustainability risk," "compliance risk," and "information security risk." ● Information security experience: Manages TECO Group's digital transformation and information security strategies. The company obtained ISO/IEC 27001 and CNS 27001:2014 Information Security Management System (ISMS) certification on November 4, 2021, and has joined TWCERT/CC. <p>Chairman Chiu has over 20 years of experience in managing the electromechanical equipment industry and possesses expertise in electric vehicles, smart automation, smart cities, new energy, company leadership, international sales and marketing, and ESG. There are no circumstances pertaining to any of the provisions of Article 30 of the Company Act.</p> <p>Since assuming the role of chairman in 2015, She has been steadily leading the company toward smart manufacturing, low carbon, and digital transformation, aiming to realize the vision of "energy-saving, emission reduction, intelligence, and automation".</p> <p>Ms. Chiu has over 30 years work experience. 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>	<p>Chairman Chiu also serves as director and chairman of the company's affiliates and is representative of the company's judicial-person shareholder (Tungkuang Investment). For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	0

Criteria Name	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tong Ho Global Investment Co., Ltd Representative: Cheng-Tsung Huang	<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 Auroteck Corp.</p> <ul style="list-style-type: none"> Industry experience: Over 30 years of focused management experience in the electromechanical equipment industry, construction engineering industry, and rail engineering industry. <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>	<p>Director Huang also serves as director of the company's affiliates and is representative of the company's judicial-person shareholder (Tungsho International). For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	1
Show-Shoun Chou <input checked="" type="checkbox"/> Committee members <input checked="" type="checkbox"/> Committee members	<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> <ul style="list-style-type: none"> Industry experience: Served as Vice Chairman of Adata Technology from 2012 to 2017, focusing on information storage solutions and technology innovation development. Risk management experience: Serving as a member of the company's Corporate Governance and Sustainability Committee, which oversees the execution of risk management operations, including "sustainability risk," "compliance risk," and "information security risk." <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>	<p>Director Chou is a natural-person shareholder Conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	0
Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng	<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>	<p>Director Cheng is representative of the company's judicial-person shareholder (Hoyuan International Investment) and supervisor of one of the top five judicial-person shareholders (PJ Asset Management) For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	0

Criteria	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Name</p> <p>Yinge Int. Inv. Co., Ltd Representative: Li-Chong Huang</p>	<p>With the Master of Science in IT and manufacturing from University Warwick, Currently serving as Special Assistant to the ESG Promotion Office at TECO Electric & Machinery, Chairman of Yingyi International Investment Co., Ltd., and Director of Dafu Machinery Co., Ltd. He once worked with HP, China InfoSystems Architect IV and IBM, GBS, Taiwan Business Consultant.</p> <ul style="list-style-type: none"> Industry experience: Served as the PC ODM Manager at First International Computer (FIC) from 2005 to 2007, responsible for planning and developing Intel platform desktop computers and digital home devices. Risk management experience: Serves as Special Assistant to the ESG Promotion Office at the company, responsible for sustainability transition projects related to climate change, and managing physical and transition risks. Information security experience: Served as Process Reengineering (BPR) and Information Systems (PLM) Manager at First International Computer (FIC) from 2002 to 2005, responsible for optimizing R&D processes in areas such as material creation, design changes, and test status monitoring, establishing information management software systems, operating hardware equipment rooms, and implementing information security measures such as firewalls and off-site backups. <p>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.</p>	<p>Director Huang serves as special assistant to the company's ESG promotion office and is representative of the company's judicial-person shareholder (Yingyi International Investment). For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	0
<p>Creative Sensor Inc. Representative: Jack Hou</p>	<p>Mr. Hou earned a bachelor's degree in Political Science from Columbia University and a master's degree from the East Asian Research Institute at Harvard University. He currently serves as Director and Chief Operating Officer of Global Cement Co., Ltd., Director of Li Yong Global Technology Co., Ltd., Director of Man Tong Securities Finance Co., and Director of Zhong Lian Resources Co., Ltd.</p> <ul style="list-style-type: none"> Industry experience: Served as Vice President of Global Cement Co., Ltd., responsible for marketing operations in the electronics division. <p>Director Hou has been focused on operational planning related to the cement and electronics technology industries for over 10 years. He possesses expertise in international sales and marketing, smart automation, and new energy, with over a decade of work experience. There are no circumstances pertaining to any of the provisions of Article 30 of the Company Act.</p>	<p>Director Ho is representative of the company's judicial-person shareholder (Creative Sensor Inc.) For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	0

Criteria	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Name</p> <p>Song-Ren Fang</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>Director Fang graduated from the Department of Physics at National Central University and later obtained a Ph.D. in Materials Science and Engineering from Stanford University. He currently serves as Chairman of Daying Management Consulting Co., Ltd., Director of Kuanda Technology Co., Ltd., Director of Dongyou Technology Co., Ltd., and Independent Director of Xinyun Enterprise Co., Ltd.</p> <ul style="list-style-type: none"> Industry experience: Worked in the research and development department of Texas Instruments in 1996, responsible for the development of advanced semiconductor manufacturing technology. He also served as Head of New Business Division and Vice President of North American Sales at United Microelectronics Corporation in 1999, responsible for marketing operation. <p>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.</p>	<p>Director Fang is a natural-person shareholder in conformity to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	1
<p>Wei-Chi Liu</p> <p><input checked="" type="checkbox"/> Convener</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>Mr. Liu has Bachelor of Business Administration from National Cheng Kung University, Master and PhD of Business Administration from Northwestern University, US. Currently serving as President of Chung Hua University, Independent Director of Fu Sheng Applied Technologies Co., Ltd., and Independent Director of An Xin Food Service Co., Ltd. Previously served as President of National Sun Yat-sen University, Chairman of Capital Securities Corporation, and Chairman of Taiwan High Speed Rail Corporation.</p> <ul style="list-style-type: none"> Industry experience: Served as Deputy Director of the Humanities and Social Sciences Division of the National Science Council (Executive Yuan) from 1989 to 1990, responsible for raising the standard of basic academic research in the humanities and social sciences and promoting applied research of practical value. Risk management experience: Serves as the convener of the company's Audit Committee, which oversees the execution of risk management operations related to "financial risk" and "internal control risk." <p>Mr. Liu has over 30 years of experience. 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>	<p>Before and during his tenure, and in the two years prior to his appointment, Independent Director Liu met the qualifications stipulated by the Financial Supervisory Commission's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Additionally, as provided by Article 14-3 of the Securities and Exchange Act, Independent Directors have been granted the authority to fully participate in decision-making and express their opinions, enabling them to independently carry out their relevant duties.</p>	2

Criteria	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Name</p> <p>Hsieh-Hsing Huang</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p>	<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. Currently serving as the Managing Partner (Founder) of Sun Yat-sen United Accounting Firm, Independent Director of China Airlines Co., Ltd., and Consultant to the New Taipei City Real Estate Association. 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).</p> <ul style="list-style-type: none"> ● Risk management experience: Serves as a member of the company's Corporate Governance and Sustainability Committee as well as the Audit Committee, overseeing the execution of risk management operations related to "financial risk," "internal control risk," "sustainability risk," "compliance risk," and "information security risk." <p>Mr. Huang has over 30 years of work experience as a certified CPA. 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>	<p>Before and during his tenure, and in the two years prior to his appointment, Independent Director Huang met the qualifications stipulated by the Financial Supervisory Commission's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Additionally, as provided by Article 14-3 of the Securities and Exchange Act, Independent Directors have been granted the authority to fully participate in decision-making and express their opinions, enabling them to independently carry out their relevant duties.</p>	1
<p>Li-Chen Lin</p> <p><input checked="" type="checkbox"/> Convener</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>Graduated from Bachelor of Law from National Taipei University, Ms. Lin obtained Master of Business Administration from Tulane University. Currently serving as the Founder of Anxin Law Firm, Chairman of Chimei Xin Technology Co., Ltd., Director of CPC Corporation, Taiwan, and Independent Director of GIGABYTE Technology Co., Ltd. and Yankee Engineering Co., Ltd.</p> <ul style="list-style-type: none"> ● Industry experience: Obtained qualifications as a lawyer, patent agent, and arbitrator in 1992. His areas of expertise span public works, cross-border mergers and acquisitions, high-tech industries, and intellectual property rights. He has experience in power generation, energy technology services, and green energy sales, as well as power plant construction projects and energy technology services. ● Risk management experience: Serves as the convener of the company's Corporate Governance and Sustainability Committee and a member of the Audit Committee, overseeing the execution of risk management operations related to "financial risk," "internal control risk," "sustainability risk," "compliance risk," and "information security risk." ● Information security experience: Served as Director of Taihua Investment Holdings Co., Ltd. from 2010 to 2014, participating in the decision-making process for the information system updates and information security planning of the holding group; and as Director of CPC Corporation, Taiwan from 2016 to 2022, where he was involved in reviewing information security diagnostics and strengthening defenses in response to hacker attacks against 	<p>Before and during her tenure, and in the two years prior to her appointment, Independent Director Lin met the qualifications stipulated by the Financial Supervisory Commission's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Additionally, as provided by Article 14-3 of the Securities and Exchange Act, Independent Directors have been granted the authority to fully participate in decision-making and express their opinions, enabling them to independently carry out their relevant duties.</p>	0

Criteria Name	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Shiang-Chung Chen</p> <p><input type="checkbox"/> Committee Convener</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>the company.</p> <p>Independent Director Lin has focused on cross-border mergers and acquisitions, joint ventures or technology transfers, and business arbitration for over 30 years. She possesses expertise in smart automation, smart cities, new energy, land development, company leadership, ESG, and law. There are no circumstances pertaining to any of the provisions of Article 30 of the Company.</p> <p>Graduated from Department of Industrial Engineering, Purdue University, Currently serving as Chairman of San Sun Computer Co., Ltd., Chairman of Wah-Ho Technology Co., Ltd., and Independent Director of Humble House Hospitality Management Consultant Co., Ltd. Previously served as Independent Director of China Man-Made Fiber Corporation, Director of the Taipei Association of Independent Directors, Director of the Foundation for National Policy Research, and Vice Chairman of the Criminal Investigation and Prevention Association of the Republic of China.</p> <ul style="list-style-type: none"> ● Industry experience: Served as Director of the Stainless Steel Business Group at China Man-Made Fiber Corporation from 1993 to 2004, responsible for managing production and sales operations in the stainless steel business. ● Risk management experience: Serves as a member of the company's Corporate Governance and Sustainability Committee as well as the Audit Committee, overseeing the execution of risk management operations related to "financial risk," "internal control risk," "sustainability risk," "compliance risk," and "information security risk". <p>Independent Director Chen has focused on the information technology industry for over 20 years, with extensive experience in managing information industry systems, platform development, and integration engineering projects. He possesses expertise in smart automation, new energy, company leadership, and ESG. There are no circumstances pertaining to any of the provisions of Article 30 of the Company Act.</p>		1

Note 1: Functional Committees : ☒ Audit Committee ☐ Compensation Committee ☐ Corporate Governance and Sustainability Committee ☒ Research & Innovation Committee

Diversification and Independence of Board of Directors

A. 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:

1. Basic condition: gender, age, nationality, race and culture, etc.;
2. 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 (2021.7.23). 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

Note 1: Implement the policy of diversification in the board

Diversification Core items	Basic conditions and value			Date of first appointment (MM/DD/YY)	Tenure of independent directors	Professional background/Experience					Knowledge and Skill							Industrial experience			
	Sex	Age	Nationality			Electric vehicles	Intelligent automation	Intelligent city	New energy	Land development	Corporate operating leadership	Government strategy	Government strategy	Interna- tional sales and marketing	Financial manage- ment	E S G	Supervi- sion	Legal	Electromechanical equipment	Electronic technology	Finance and Accounting
Name																					
Chwen-Jy Chiu	F	61-70	ROC	06/15/2006	-	•	•	•	•		•	•						•			
Cheng-Tsung Huang	M	61-70	ROC	05/08/1991	-	•	•	•	•		•							•			
Show-Shoun Chou	M	51-60	ROC	07/23/2021	-	•		•			•								•		
Pen-Ching Cheng	M	61-70	ROC	07/23/2021	-						•										
Li-Chong Huang	M	51-60	ROC	01/01/2021	-	•	•	•	•									•			
Chih-Sheng Hou	M	31-40	ROC	12/22/2022	-		•	•							•				•		
Song-Ren Fang	M	51-60	ROC	07/23/2021	-		•	•						•					•		
Wei-Chi Liu (independent director)	M	61-70	ROC	06/15/2018	3-6 years	•	•	•	•					•						•	
Hsieh-Hsing Huang (independent director)	M	61-70	ROC	07/23/2021	<3 years	•					•				•					•	
Li-Chen Lin (independent director)	F	61-70	ROC	07/23/2021	<3 years		•	•	•								•		•		
Shiang-Chung Chen (independent director)	M	51-60	ROC	07/23/2021	<3 years																

Board independence:

(1). There are 11 directors in total, and 6 directors meet the independence conditions of the "Measures for the Appointment of Independent Directors of Public Offering Companies and Matters to Be Followed" (accounting for 54.55%), and 4 are independent directors (accounting for 36.36%).

(2). Independent directors shall serve no more than three consecutive terms, and concurrently serve as independent directors of other public companies shall not exceed three. There are 3 independent directors whose term of office is less than 3 years, and 1 independent director whose term of office is 3-6 years.

(3). There is no spouse or second-degree relative relationship between directors (there is no circumstance specified in Item 3 and Item 4 of Article 26-3 of the Securities Exchange Act).

(4). All directors uphold a high degree of self-discipline. Those who have an interest in the proposals listed on the board of directors, themselves or the legal person they represent, shall not participate in the discussion when the important content of their interest relationship is stated at the board meeting, if it is harmful to the interests of the company. vote, and shall be abstained from discussion and voting, and shall not act on behalf of other directors to exercise their voting rights (please refer to page 26 The implementation of Directors' avoidance of motions in conflict of interest)

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	Thomas Fann	2022.4.7	0	0%	0	0%	0	0%	Ph.D. Mechanical Engineering, University of Michigan	Chairman of Shanghai Teco Electric & Machinery Pte Ltd	-	-	-	Note 1
Business Group President	ROC	Sung-Pin Chang	2015.8.12	135,143	0%	0	0%	0	0%	Bachelor of Chemical Engineering, National Tsing Hua University	Chairman of Teco Technology (Vietnam) Co., Ltd	-	-	-	
Business Group President			2017.1.1												
Chief Information Security Officer (Note)	ROC	Chi-Tseng Peng	2023.8.11	63,708	0%	0	0%	0	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	151,767	0.	0	0%	0	0%	Master of Mechanical Engineering, National Central University	Chairman of Teco Vietnam Co., Ltd	-	-	-	
General Director of Teco Group Research Institute	ROC	Kun-Yao Ho	2021.8.6	0	0.	0	0%	0	0%	PhD of advanced materials science, the University of Tokyo	-	-	-	-	
Finance Chief	ROC	Victor Hsu	2023.09.25	0	0.	0	0%	0	0%	MBA, University of Illinois, USA	Chairman of P.T. TECO Multiguna Elektro				
Corporate Governance Officer	ROC	Shih-Hsiung Chien	2019.6.1	0	0%	0	0%	0	0%	Master of Business Administration, National Chung Cheng University	-	-	-	-	
Accounting Chief	ROC	Tommy Wu	2020.11.13	4,124	0%	0	0%	0	0%	Master of accounting, National Chengchi University	Supervisor of Tong-An Assets Management & Development Co., Ltd.	-	-	-	

Note : The board has approved Mr. Chi-Tseng Peng, President of the Air and Intelligent Life Business Group, to concurrently serve as the 'Chief Information Security Officer', effective from August 11, 2023.

3.2.3 Remuneration of Directors, President and Vice President

Remuneration of Directors (Including Independent Directors)

December 31, 2023 / Unit: NT\$ thousands

Code	Title	Name	Remuneration						Relevant remuneration received by directors who are also employees						Compensation paid to directors from an invested company other than the company's subsidiary						
			Base Compensation(A)		Severance Pay(B)		Bonus to Directors(C)		Allowances(D)		Ratio of total remuneration (A+B+C+D) to net income(%)		Salary, Bonuses, and Allowances (E)			Severance Pay (F)		Profit Sharing- Employee Bonus (G)		Ratio of total compensation (A+B+C+D+E+F+G) to net income(%)	
			Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements		Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements
1	Chairman	Tung Kuang Investment Co., Ltd. Representative : Chwen-Jy Chiu																			
2	Director	Tong Ho Global Investment Co., Ltd Representative : Cheng-Tsung Huang																			
3	Director	Shou-Shoun Chou																			
4	(Director	Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng	0	0	0	0	Total 92,774	Total 92,774	Total 948	Total 948	Total 93,722 (1.62%)	Total 93,722 (1.62%)	0	0	0	0	0	0	Total 93,722 (1.62%)	Total 93,722 (1.62%)	None
5	Director	Yingde Int. Inv. Co., Ltd Representative : Li-Chong Huang																			
6	Director	Creative Sensor Inc. Representative: Johnson Hou/Jack Hou																			
7	Director	Shou-Shoun Chou																			
8	Independent Director	Wei-Chi Liu																			
9	Independent Director	Hsieh-Hsing Huang																			
10	Independent Director	Li-Chen Lin	0	0	0	0	Total 9,600	Total 9,600	Total 528	Total 528	Total 10,128 (0.16%)	Total 10,128 (0.16%)	0	0	0	0	0	Total 10,128 (0.16%)	Total 10,128 (0.16%)	None-	
11	Independent Director	Shiang-Chung Chen																			
Total			0	0	0	0	102,374	102,374	1,476	1,476	103,850 (1.78%)	103,850 (1.78%)	0	0	0	0	0	103,850 (1.78%)	103,850 (1.78%)	None	

Note: 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				
NT\$1,000,000 ~ Under NT\$2,000,000				
NT\$2,000,000 ~ Under NT\$3,500,000	8.9.10.11	8.9.10.11	8.9.10.11	8.9.10.11
NT\$3,500,000 ~ Under NT\$5,000,000				
NT\$5,000,000 ~ Under NT\$10,000,000	2.3.4.5.6.7	2.3.4.5.6.7	2.3.4.5.6.7	2.3.4.5.6.7
NT\$10,000,000 ~ Under NT\$15,000,000	1	1	1	1
NT\$15,000,000 ~ Under NT\$30,000,000				
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	11	11	11	11

Note : Shown by code of Directors in the previous table

Compensation of President and Vice President

December 31, 2023 / Unit: NT\$ thousands

Code	Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)			Ratio of total compensation (A+B+C+D) to net income(%)	Ratio of total compensation (A+B+C+D) to net income(%)	Compensation paid to the president and vice president from an invested company other than the company's subsidiary
			The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Cash	Stock	The company	Companies in the consolidated financial statements	
1	Chairman	Chwen-Jy, Chiu												
2	President	Thomas Fann												
3	Business Group President	Sung-Pin Chang												
4	Business Group President	Chi-Iseng Peng												
5	Business Group President	Fei-Yuan Kao	Total 18,604	Total 18,604	Total 969	Total 969	Total 36,754	Total 38,443	Total 19,828	-	Total 19,828	Total 76,155 1.31%	Total 77,844 1.34%	Total 496
6	General Director of Teco Group Research Institute	Kun-Yao Ho												
7	Corporate Governance Officer	Shih-Hsiung Chien												
	Total		18,604	18,604	969	969	36,754	38,443	19,828	-	19,828	76,155	77,844	496

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		
NT\$3,500,000 ~ under NT\$5,000,000	7	7
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	7	7

Note : Shown by code of Executives in the previous table

Employee Bonus to Executive Officers

2023.12.31/ 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	Thomas Fann				
	Business Group President	Sung-Pin Chang				
	Business Group President	Chi-Tseng Peng				
	Business Group President	Fei-Yuan Kao				
	General Director of Teco Group Research Institute	Kun-Yao Ho				
	Corporate Governance Officer	Shih-Hsiung Chien				
			-	Total 19,828	Total 19,828	0.34%

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 (%)
2023	181,692	3.12%
2022	156,200	4.52%

According to Article 26 of the Article of Incorporation, the company will allocate 1% to 10% of the remaining balance after deducting accumulated losses from the profits of the current year as employee remuneration, and will control director remuneration to not exceed 5%. The company's remuneration policy primarily considers the salary level of the position in the industry market, the scope of responsibilities within the company, and the contribution to the company's operational objectives. Directors and senior executives will be compensated reasonably based on the company's overall operational performance, future business risks, individual performance evaluations, and contributions to the company's performance.

In accordance with Article 21 of our Article of Incorporation, director remuneration is determined by the Remuneration Committee based on the level of involvement and value contribution to the company's operations, taking into account domestic and international industry standards, and then submitted to the Board of Directors for approval. According to the "Director Performance Evaluation Method," a director performance evaluation is conducted at the end of each fiscal year. Directors self-assess their performance in six areas, including understanding of company goals and missions, awareness of director responsibilities, level of involvement in company operations, management of internal relationships and communication, professional expertise and continuous learning, and internal controls. The results of the annual "Director Performance Evaluation" will be provided to the Remuneration Committee as a reference for individual director remuneration.

At the end of each quarter, senior managers undergo performance evaluations based on Key Performance Indicators (KPIs). These KPIs include value-added operations, accelerated operations, effective management, and forward-looking planning. Approximately 60% of the evaluation criteria are linked to financial indicators such as revenue, operating profit, net profit, total asset turnover, ROA, ROIC, etc., while the remaining 40% are linked to short, medium, and long-term planning, execution status, and sustainable KPIs. Sustainable KPIs include three important indicators: greenhouse gas carbon emissions, carbon emission intensity, and the health of the green supply chain (assessed through greenhouse gas inventory evaluations). The achievement rate of KPIs is directly linked to the fluctuating bonus payout rate for managers. Additionally, starting from the year 112, the implementation of internal carbon pricing (NT\$1,600 per ton) further affects the profitability of various business units, thereby influencing manager compensation.

Starting from the year 2020, the company established the "TECO Core Shareholding Association," where a portion of the compensation for managers and above is provided in the form of stock trusts, and the purchased company stocks can only be redeemed after a two-year deferral period. Through this mechanism, the company strengthens the link between executive compensation and medium to long-term business performance, enhances employee loyalty and sense of belonging, and shares the results of the company's operations.

The distribution of year-end bonuses is based on a fixed percentage allocation of operating net profit, which requires approval by the Board of Directors when the percentage changes.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A total of 6 meetings of the 26th board of directors were held in 2023, 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 : Cheng-Tsung Huang	6	0	100%	Should attend 6 times
Managing Director	Show-Shoun Chou	6	0	100%	Should attend 6 times
Managing Director	Ho Yuan International investment Co., Ltd Representative: Pen-Ching Cheng	6	0	100%	Should attend 6 times
Managing Director	Yinge Int. Inv. Co.,Ltd Representative : c	6	0	100%	Should attend 6 times
Managing Director	Creative Sensor Inc. Representative : Jack Hou	5	1	83%	Should attend 6 times
Managing Director	Song-Ren Fang	6	0	100%	Should attend 6 times
Independent Director	Wei-Chi Liu	6	0	100%	Should attend 6 times
Independent Director	Hsieh-Hsing Huang	6	0	100%	Should attend 6 times
Independent Director	Li-Chen Lin	6	0	100%	Should attend 6 times
Independent Director	Shiang-Chung Chen	6	0	100%	Should attend 6 times

Other mentionable items:

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

(1) 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.

(2) 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) 26-15 meeting of the board of directors (March 15, 2023)

Names of director: Cheng-Tsung Huang, Song-Ren Fang, Song-Ren Fang, Jack Hou

[Contents of issue] Proposal to Remove Current Director Non-compete Restrictions

Reasons for Recusal and Participation in Voting:

Directors Huang Cheng-Cung, Fang Sung-Jen, Huang Li-Tsung, and Hou Chih-Yuan, all current directors, are temporarily abstaining from participating in the discussion and voting on this matter due to conflicts of interest.

[Resolution] With the exception of directors Huang Cheng-Cung, Fang Sung-Jen, Huang Li-Tsung, and Hou Chih-Yuan, who are abstaining due to conflicts of interest, the remaining attending directors, after consultation by the chairman, have no objections to the proposal, and it is passed accordingly.

2. 26-18 meeting of the board of directors (Nov. 13, 2023)

Name of director: Chairwoman Chwen-Jy, Chiu, Cheng-Tsung Huang

[Contents of issue] The acquisition of a 6.06% stake in TEK (Singapore) by Tong An Asset Management.

Reasons for Recusal and Participation in Voting:

Chairwoman Chiu Chun-Chih temporarily abstains from participating in the discussion and voting on this matter due to

her positions as Chairman of Tong An Asset Management, SEI Corporation, and TEK. In her absence, independent director Liu Wei-Chi acts as the meeting chair. Director Huang Cheng-Cung, being a director at Tong An Asset Management, also temporarily abstains from participating in the discussion and voting on this matter due to conflicts of interest.

[Resolution]

Resolution: The proposal "authorizing the chairman to designate proper member company of the group to attend the cash capital increase at NT\$30 per share at maximum of NT\$10 million" was approved, with support of seven directors, over half of those in attendance, and three abstaining.

With the exception of Chairwoman Chiu Chun-Chih and Director Huang Cheng-Cung, who abstain due to conflicts of interest, the proposal is passed without objection after consultation with the remaining attending directors by acting chair, independent director Liu Wei-Chi.

3. 26-19 meeting of the board of directors, Dec. 22, 2023

Name of director: Chairwoman Chwen-Jy, Chiu

Contents of issue: Reasons for Recusal and Participation in Voting: Chairwoman Chiu Chun-Chih abstains from participating in the discussion and voting on this matter due to her positions as Chairman of Motovario S.p.A and TWMC, to avoid conflicts of interest. In her absence, independent director Liu Wei-Chi acts as the meeting chair

Resolution: With the exception of Chairwoman Chiu Chun-Chih, who abstains due to conflicts of interest, the proposal is passed without objection after consultation with the remaining attending directors by acting chair, independent director Liu Wei-Chi.

4. Implementation Status of the Board of Directors Evaluation

Evaluation Frequency	Evaluation Period Evaluation Method	Evaluation Scope	Evaluation Method	Evaluation Content
Annually Implementation Once	2023.1.1~2023.12.31	Individual Board Members	"Board Members (Self) Self-assessment using the 'Board Member Performance Evaluation Self-Assessment Questionnaire'"	The evaluation covers six major aspects, totaling 23 assessment indicators, including individual understanding of the company's goals and missions, awareness of director responsibilities, level of involvement in company operations, internal relationship management and communication, director's professionalism and continuous education, and internal controls.
An external professional independent organization conducts the evaluation once every three years.	2023.1.1~2023.12.5	The operations of the Board of Directors and its functional committees such as the Audit Committee and Compensation Committee	The external professional organization, Taiwan Integrity Management Association, has been commissioned to conduct the performance evaluation of the Board of Directors 2023. 11 "The evaluation is conducted through written review of internal relevant regulations, minutes of the Board meetings, and responses to the evaluation questionnaire by the directors 2023.12.4 & 12.5 Interviews with board members conducted in person	1. Board of Directors' Professional Competence (Composition and Structure of the Board, Director Selection and Continuous Education ° 2. Board of Directors' Decision-Making Effectiveness (Level of Participation in Company Operations, Enhancement of Board Decision-Making Quality) 3. Board of Directors' Attitude towards Sustainable Operation

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 (four 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 2023:

1. Review financial reports

The company's board of directors submitted the 2022 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 12st meeting of the 4rd Audit Committee (2023.3.10), were submitted to the 26th meeting of the 15th Board of Directors (2023.3.15) for resolution and were acknowledged by general shareholders meeting 2023 (2023.5.24).

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 2022 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 50 level units. The internal control self-assessment operation was completed at 2023.3.10. 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 2023.3.15. 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 4st meeting of the 12rd Audit Committee (2023.3.10), and submitted to the Resolution of the 26th meeting of the 15th Board of Directors (2023.3.15), the "Internal Control System Statement" for 2022 was issued.

A total of 6 meetings of the 4th Audit Committee were held in 2023, and the Audit Committee attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener & Chairman	Ting-Wong Cheng	6	0	100%	Should attend 6 times
Member	Li-Chen Lin	6	0	100 %	Should attend 6 times
Member	Shiang-Chung Chen	6	0	100%	Should attend 6 times
Member	Hsieh-Hsing Huang	6	0	100%	Should attend 6 times

mentionable items:

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

i. Items specified in article 14-5 of Securities and Exchange Act: Please see the following charts

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
26-15 Board Meeting (March 15, 2023)	Our company has completed the internal control self-assessment procedures for the year 2022	√	
	Discussion on Profit Distribution of 2020	√	
	Our company's profit distribution review for the fiscal year 2022	√	
	Audit Committee Decision (March 10, 2023): The proposal was accepted by all members present at the Audit Committee meeting.		
	Company's Response to the Audit Committee's Opinion: The proposal was approved by all attending directors.		
26-16 Board Meeting (May 12, 2023)	Our company's consolidated financial statements for the first quarter of 2023	√	
	Audit Committee Decision (May 9, 2023): The proposal was unanimously approved by all members present at the Audit Committee meeting. However, it was requested after the meeting to provide additional cash flow information related to affiliated companies for the committee's review. (These details were sent to all members via email on May 11, 2023.)		
26-17 Board Meeting (August 11, 2023)	Our company's consolidated financial statements for the second quarter of 2023	√	
	Audit Committee Resolution (August 8, 2023): The proposal was unanimously approved by all members present at the Audit Committee meeting. Company's Response to the Audit Committee's Opinion: The proposal was unanimously approved by all attending directors		
26-18 Board of directors (November 13, 2023)	Our company's consolidated financial statements for the third quarter of 2023	√	
	Audit Committee Resolution (November 10, 2023): The proposal was unanimously approved by all members present at the Audit Committee meeting. Company's Response to the Audit Committee's Opinion: The proposal was unanimously approved by all attending directors		
26-19 Board of directors (December 22, 2023)	Proposed Financial Institution Credit Limit Renewals and Additions for the year 2024	√	
	Loaning for affiliates	√	
	Adjustment of Auditor Remuneration for the Year 2023	√	
	Assessment of the Independence and Suitability of the Company's Signing Auditor	√	
	Our Company's Audit Plan for the Year 2024	√	
	Audit Committee Resolution (December 19, 2023): The proposal was unanimously approved by all members present at the Audit Committee meeting. Company's Response to the Audit Committee's Opinion: The proposal was unanimously approved by all attending directors.		

II. 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 2023 are shown as follows.

Audit Committee	Communication Item	Communication Result
4-12 (March 30, 2023)	Report for 2022 Q4 Internal Audit	Notification. No other suggestions.
	2022 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
4-13 (May 9, 2023)	Report for 2023 1Q Internal Audit	Notification. No other suggestions.
4-14 (August 8, 2023)	Report for 2023 2Q Internal Audit	Notification. No other suggestions.
4-16 (Dec 19, 2023)	Report for 2023 3Q Internal Audit	Notification. No other suggestions.
	Audit Plan for the Year 2024	Approval after the chairman consulted all attending member, then submitted to the board of directors for resolution
	The independent director held a private meeting with the internal audit manager, with no regular directors or managers present. Topic: Frequency of Auditing Overseas Affiliates	Hsieh-Hsing Huang, Independent Director's Recommendation: Please maintain close communication with local accountants of overseas affiliates Internal Audit Division: Planned to Communicate with accounts of overseas affiliates at least once per year.

(III) Independent Director and CPA have good communication, and independent directors have no suggestions. Summary of communication issues in 2023 are shown as follows.

Audit Committee	Communication Item	Communication Result
4-12 (March 10, 2023)	Financial Statements and Consolidated Financial Statements Report for the Year 2022	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.
4-13 (May 9, 2023)	Report for 2023 1Q consolidate financial statements	Approval after the chairman consulted all attending member, then submitted to the board of directors
	Report for 2023 2Q consolidate financial statements	Approval after the chairman consulted all attending member, then submitted to the board of directors
4-14 (Aug 8, 2023)	Accountant's Report on Controlled Foreign Company (CFC) System and its Impact on the Group. Communication Plan, Audit Plan, Auditor's Independence, Roles, and Responsibility.	Approval after the chairman consulted all attending member, then submitted to the board of directors
4-15 (Nov. 10, 2023)	Report for 2023 3Q consolidate financial statements	Approval after the chairman consulted all attending member, then submitted to the board of directors
	Independent Director Holds Individual Meeting with Accountant (No Regular Directors or Managers Present) Topic: Status of Forward Foreign Exchange Transactions.	Hsieh-Hsing Huang, Independent Director's Recommendation: Please provide details such as the items, parties involved, and amounts related to forward foreign exchange transactions. Accountant: Information has been provided to the independent director on November 13th, 2023.

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 ten times from 2013 to 2023 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	
(II) Whether the company has installed on its own various functional committees other than the compensations committee and the audit committee?			<p>professional background (such as law, accounting, industry, finance, marketing and technology), professional skill and industrial experience.</p> <p><u>Management targets:</u> The members of the board of directors include at least one female director; the independent director seats exceed one-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><u>Execution:</u> 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 2023 was 98%; 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>	
(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.			<p>(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)</p> <p>(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</p>	<p>(II) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.</p> <p>(III) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “.</p>

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 20st 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 2023.</p> <p>For the year 2023, the "Board Performance Evaluation" was commissioned to the external professional organization, the "Taiwanese Association for Ethical Management." This association has established a Corporate Governance Committee dedicated to promoting and executing board performance evaluation services. The evaluation procedures are conducted by scholars and experts who have long been involved in the field of corporate governance, ensuring a professional evaluation process in line with international standards.</p> <p>Members of the committee include:</p> <ul style="list-style-type: none"> ● Shao Qing-Ping (Chairman; Professor of Law, National Taiwan University Law School) ● Tsai Yang-Zong (Honorary Professor, Department of Accounting, National Taiwan University. ● Yang Yue-Ping (Associate Professor, Department of Law, National Taiwan University. <p>They have provided independence declarations in the report.</p> <p><u>Assessment Period:</u> January 1st, 2023, to December 5th, 2023</p>	

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p><u>Scope of Evaluation:</u> Operations of the Board of Directors and its functional committees, such as the Audit Committee and the Compensation Committee.</p> <p><u>Evaluation Method:</u> In November 2023, a written review was conducted, examining internal regulations, board meeting records, and responses to evaluation questionnaires from directors. On December 4th and 5th, 2023, interviews were conducted with the directors in person.</p> <p><u>The evaluation results are as follows:</u></p> <p>Board of Directors</p> <ol style="list-style-type: none"> 1. Board of Directors' Professional Competence: The composition of the Board of Directors primarily reflects the shareholder structure, with members' backgrounds covering various professional fields such as industry and finance, enabling diverse perspectives and opinions to be provided from different angles. 2. Board Decision-Making Effectiveness: Board members have ample opportunities for discussion during meetings, allowing for full participation in company operations and effective decision-making. 3. Board Oversight of Internal Controls: The evaluated company has established risk management policies and manages them systematically, allowing board members to effectively grasp the overall information of the group. This strengthens the board's management and oversight of corporate risks. 4. Attitude towards Sustainable Operations: The evaluated company has established a Corporate Governance and Sustainability Committee, which regularly reports on the implementation of sustainability strategies to the board of directors. This enables the board to understand the development of sustainable operations and continuously promote and oversee them. <p>Functional Committees</p> <ol style="list-style-type: none"> 1. <u>Audit Committee:</u> Independent directors of the evaluated company have access to comprehensive agenda information and, through close communication with relevant personnel, are able to effectively supervise the internal control and internal audit processes of the evaluated company and provide relevant improvement suggestions. 2. <u>Compensation Committee:</u> Independent directors of the evaluated company also engage in thorough discussions, and the evaluated company has specific evaluation 	

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>criteria in place, facilitating independent directors in providing suggestions for decision-making evaluations on compensation strategies and reaching consensus.</p> <p><u>Improvement Suggestions</u></p> <ol style="list-style-type: none"> 1. Strengthen Communication Frequency between Management and Board Members: Increase the frequency of communication between management and board members. Provide timely explanations to board members regarding the background of agenda items, tailored to the complexity of each item. 2. Continuously Enhance Integrated Risk Assessment and Management Mechanisms: Increase the depth of discussion on topics such as operational layout and industry ecosystem changes. Provide explanations on integrated risk management assessments and their actual implementation. <p><u>Improvement Plan:</u></p> <ol style="list-style-type: none"> 1. The management team of our company will provide timely explanations to board members regarding the background of agenda items. Additionally, a summary will be documented, capturing the opinions and responses of directors raised before the meeting. This will facilitate the application of past experiences in future decision-making evaluations. 2. The scope of risk management, organizational structure, and risk management operations for the year 2023 have been presented to the 26-12th Board of Directors meeting (December 22, 2023). In addition to assessing categories such as internal control risks, financial risks, strategic and operational risks, compliance risks, information security risks, sustainability risks, and quality risks, new assessments have been added for supply chain risks, occupational health and safety risks, human resources risks, macroeconomic risks, geopolitical risks, and disaster risks. Management operations and improvement plans for each risk category have been proposed. Subsequently, discussions will be expanded to include topics such as operational layout and industry ecosystem changes as appropriate. <p>For the year 2023, the "Individual Director Performance Evaluation" was conducted by the Board Secretariat through a "Director Member Performance Self-Assessment Questionnaire." The evaluation covered six major dimensions,</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>including the individual's understanding of the company's goals and missions, awareness of director duties, level of participation in company operations, internal relationship management and communication, professional expertise and continuous education, and internal controls, comprising a total of 23 assessment indicators. After comprehensive evaluation and analysis, the assessment result was rated as "excellent".</p> <p>The Board Performance Evaluation Report for the year 2023 has been submitted to the 26th meeting of the 21st Board of Directors (March 15, 2023). The "Board Performance Evaluation Results" for each year will be provided to the Compensation Committee and the Corporate Governance and Sustainability Committee as references for individual director compensation and nomination for reappointment.</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.</p> <p>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 standards, in terms of independence and suitability, proving their qualification to become the company's contracted CPA; The assessment of the independence and suitability of the signing auditors has been discussed and approved at the 4-10 meetings and the 4-16 meetings of the Audit Committee (December 19, 2022, and December 19, 2023, respectively), as well as at the 26-13 meetings and the 26-19 st meetings of the Board of Directors (December 23, 2022, and December 22, 2023, respectively)</p>	(IV) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
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	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</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	
shareholders' meetings according to laws and regulations, produce minutes of Board meetings and shareholders meetings, etc.)?			<p>appointed manager in accordance with the company's articles of incorporation. The main duties are:</p> <ol style="list-style-type: none"> (1) Handle matters related to the meetings of the board of directors and shareholders meeting according to law. (2) Prepare the minutes of the board of directors and shareholder meetings. (3) Assist directors and supervisors in their appointment and continuing education. (4) Provide directors and supervisors with the information needed to execute their business. (5) Assist directors and supervisors to comply with laws and regulations. (6) Report to the board of directors the results of its review of whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure. (7) Handle matters related to the change of directors. (8) Other matters stipulated in the company's articles of association or contract. <p>According to article 36-3 of " Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" , Director Shih-Hsiung Chien has completed 18 hours in 2023, and it has been reported to the Taiwan Stock Exchange Corporation (TWSE) on December 26, 2023 :</p> <ol style="list-style-type: none"> 1. On July 4, 2023, Taiwan Stock Exchange (TWSE)/ 2023 Cathay Sustainable Finance and Climate Change Summit (6 hours) 2. On July 13, 2023, Taiwan Stock Exchange (TWSE)/ Seminar on Sustainability Action Plans for Listed Companies (3 hours) 3. On July 26, 2023, Taiwan Corporate Governance Association of Taiwan(CGAT)/ Seminar on Practical Sharing of Board Performance Evaluation (3 hours) 4. On August 11, 2023, Straits Business Development Foundation(SBDF)/ Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance (3 hours) 5. On Dec 22, 2022, Taiwan Corporate Governance Association of Taiwan(CGAT)/ What practical measures should TECO take to address climate change? (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	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	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	
stakeholders.			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. The communication status with stakeholders for the fiscal year 2023 has been reported to the 26th meeting of the 19th Board of Directors on December 22, 2023.	
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 (https:// www.teco.com.tw/en). 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 75 days), the first, second, and third quarter financial reports (within 45 days) and monthly operating conditions (before 10th of each month) within the time limit specified in Article 36 of the Securities Exchange Law. Because there are hundreds of consolidated entities, temporarily not been able to announce and declare the annual financial report within two months after the end of the fiscal year. 2023 Annual financial statements have been announced and declared on 2024.3.15.	(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	
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"> 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. 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. 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. 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. 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. 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 risks of various environmental indicators in 2023. 7. The company has dedicated to the provision of quality products with high price-performance ratio to customers. In 	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>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 (2023 and 2024) was delivered at the 14th meeting of the 26th board of directors (2.17.2023) and 19th meeting of the 26th board of directors.(12.22.2023)</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>The Taiwan Stock Exchange announced on April 27, 2023, the results of the corporate governance evaluation for the fiscal year 2022 (9th session), with our company receiving a score of 6% to 20%.</p> <p><u>The situation has been improved:</u> The secretariat has ensured that the consolidated or individual financial reports for the first to third quarters have been discussed and resolved by the Board of Directors. Additionally, the consolidated financial statements have been uploaded to the Taiwan Stock Exchange's Market Observation Post and the company's website according to the prescribed schedule. in the minutes.</p> <p><u>Priorities and measures for strengthening:</u> 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: Information on the operation of the Corporate Governance and Sustainability Committee

In order to establish a good governance system, rationalize and strengthen management function, fulfill corporate social responsibilities, and attain sustainable development, the company's 25th board of directors resolved in its third meeting (on Aug. 13, 2018) to set up "corporate governance and sustainability committee." The committee consists of more than three directors, over half of them independent directors, with convener and chairman of committee meetings being served by an independent director to be elected by committee members. According to the company's "organization regulations for corporate governance and sustainability committee," the committee convenes at least twice a year and is in charge of reviewing the soundness of the company's corporate governance organization and system, the nomination of the candidates for directors and independent directors, supervision of the fulfillment of corporate social responsibilities and attainment of sustainable development, and strengthening of the operation and management of the units under the direct jurisdiction of the board of directors, among others.

Status of attendance for the two meetings of the committee in 2023:

Title	Name	Actual attendance Times	Attendance rate (%)	Note
Convener and chairman	Li-Chen Lin	2	100%	Law, Management and ESG professional
Member	Hsieh-Hsing Huang	2	100%	Accounting and Electrical vehicle professional
Member	Shiang-Chung Chen	2	100%	Management and New energy professional
Member	Chwen-Jy Chiu	2	100%	Finance and Management
Member	Show-Shoun Chou	2	100%	Management and Government strategy

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	Items	Results
2-5 meeting (2023.2.10)	1. ISS and Glass Lewis 2023 Voting Guidelines Report	Noted
	1. 2023 work plans of the company's "ESG promotion office," "corporate governance center," "legal compliance and affairs office," "information-security committee"	<ol style="list-style-type: none"> 1. Key initiatives of the "ESG Promotion Office": Environmental (E) - Promote a 50% reduction in emissions over ten years. Social (S) - Internalize ESG, promote gender equality; support the elderly and childcare, spreading love. Governance (G) - Promote sustainable supply chains, internal carbon pricing (ICP), and carbon flow management. 2. Major work items of the "corporate governance center": intensified communications with investors, strengthening of the functions of the board of directors, enhancement of information transparency, and retention of top 5% in corporate governance evaluation. 3. Major work items of the "legal compliance and affairs office: compliance with securities-related laws/regulations; legal compliance promotion/education and training (intellectual property, corporate securities trading, fair trade, ethical management, individual information)

Corporate governance and sustainability committee	Items	Results
		4. Major work items of the "information security committee": materialization of measures governing information security, deployment of information management system, enhancement of employees' information-security awareness, execution of information-security health check. The aforementioned 2023 working plans were approved with no objection from members in attendance upon inquiry by the chairman.
2-6 meeting (2023.8.8)	1. Reports on execution status of the work plans of "ESG promotion office," "corporate governance center," "legal compliance and affairs office," and "information security committee" for the first half of 2023.	Noted
	2. Appointment of the company's information-security chief officer °	This matter was unanimously approved for consideration after consultation with all attending committee members by the Chairman. Mr. Peng Jie-Tseng, President of the Air and Intelligent Life Business Group, will assume the position of Chief Information Security Officer. The decision will be presented to the Board of Directors for final approval.

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

C. Competence review			
Evaluation item		Explanation of evaluation contents	Evaluation result
01	Whether or not the certified public accountant was punished by the CPA Discipline Committee on record in recent two years? Whether or not the accounting firm was involved in major litigation in recent two years?	According to inquiry result for CPA disciplinary information, there is no disciplinary record for both appointed CPAs Wu Yu-lung and Chou Chien-hung. PwC has a policy conducting quality control review on its franchise accounting firms according to its auditing standards and ISA (international standard of auditing). CPAs Wu Yu-lung and Chou Chien-hung both have no defect on record in previous quality control reviews. The quality of their auditing works meets related professional standards in evaluation.	Good
02	Whether or not the accounting firm has sufficient scale, resources, and area coverage for offering corporate auditing service?	The accounting firm is the Taiwanese franchisee of PwC, the world's largest accounting firm, boasting 743 branches and franchisees in 158 countries, with 250,000 professionals in total. PwC is the leading accounting-service provider in many major countries and areas, including the U.K., China, Germany, Australia, Korea, the ASEAN, and the Middle East, with the largest market share in the Asia-Pacific region. Of Global Fortune 500, 429 companies (86%) are PwC customers, with the number of its customers worldwide topping 100,000. PwC's local partners worldwide can handle the group's local affairs.	Good
03	Whether or not the accounting firm has definite quality control procedure to assure the quality of financial report?	The appointed accounting firm has formulated definite quality control procedure, to reasonably assure the effective execution of quality control, covering the "accounting firm quality control" specified in Statement of Auditing Standards No. 1, plus review of financial report quality for listed companies by in-house ARM (assurance risk management) and ACS (accounting consultant service) units.	Good
04	Whether or not the accounting firm notify the board of directors timely any obvious problems and development in risk management, corporate governance, finance/accounting, and other risk management-related affairs?	The appointed accounting firm would communicate with the company's management and auditing committee on its auditing findings and take part in discussion on key issues beforehand in past years.	Good

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"> ● Market Observation Post System at Taiwan Stock Exchange ● Shareholder meeting---at least once a year ● On-line earnings call---4 times a year. ● Investment forums in Taiwan and abroad ● Visits by institutional investors ● Investor Relation/stock mailboxes dedicated to investors ---immediate replies by responsible persons ● Contact window: (IR) Director Chien ir@teco.com.tw 	<ul style="list-style-type: none"> ● Selected in "Dow Jones Sustainability Index", "Taiwan Sustainability Index". ● Monthly revenue announcements are posted on the Taiwan Stock Exchange's Market Observation Post and the company's website; a total of 41 significant announcements were made in both Chinese and English. ● Shareholders' Annual General Meeting for the fiscal year 2023 was held on May 24, 2023. ● In 2023, the company held four corporate briefing sessions and uploaded video links in both Chinese and English to the Taiwan Stock Exchange's Market Observation Post and the company's website.. ● Invited to attend 11 investment forums both at home and abroad. ● Received 302 visits of investors (excluding investment forums and broker analysts) (including 28 visits of foreign investors), and paid 26 trips to brokers.
Employee	Business development and operation Labor Relations Employees' rights and interests Training and career development Occupational environment Expression of employees' opinions and communication	<ul style="list-style-type: none"> ● Labor-management conferences: 1 per quarter ● Trade Union workshop: 1 per six months ● Food meeting: 1 per quarter ● Employee quarterly meeting 1 per quarter ● Occupational Safety and Health Committee: 1 per quarter ● Employee satisfaction survey: 1 per year ● E-board: Irregular Notice ● Unlawful infringement/Complaint: HRP@teco.com.tw ● Contact window: (HR) Manager Lin cplin@teco.com.tw 	<ul style="list-style-type: none"> ● Labor-management conferences: 22 meetings at four plants in total in 2023 ● 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.(Total 2 times) ● Food meeting: 13 meetings at four plants in total in 2023 ● Employee Quarterly Meetings: There were a total of 8 meetings held across the Nangang headquarters and various factory locations in 2023. Among them, 4 meetings in Nangang were conducted using communication software, enabling all employees from different factories to attend online. ● Employee satisfaction survey: Knew the opinions of employees and executives through the survey. ● Misconduct/Complaints: There were a total of 2 cases (1 complaint was not pursued; 1 case is under investigation) ● E-board: Irregularly announce various employee welfare matters (health examination, group insurance, etc.), welfare committee information, important operation information of the Company, education and training course information, annual performance management operation, etc.

Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
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"> ● Questionnaire survey of satisfaction—1~4 times/year ● Dedicated telephone lines for response to customers if needed ● 1-4 symposiums a year for sales agents and irregular calls on sales agent ● Tracking of after-sale services---by every service and telephone talks after ● company's website and media---updated in needed ● Contact window: (Spokesperson) Chien Director speaker@teco.com.tw 	<ul style="list-style-type: none"> ● Customer satisfaction surveys are conducted annually, followed by analysis and the implementation of strategies, totaling 9 times per year. ● Regular external audits of the quality management system were conducted three times from October to November 2023. Additionally, there were eight internal audits, 125 process audits, and 44 product audits carried out during the same period. ● There were 5 media press conferences held. ● Participated in 8 exhibitions (Smart City Expo, Smart Mobility Expo, Taipei International Food Expo, Asia-Pacific Sustainable Expo, 2023 Net Zero Emissions Technology International Competition @Taiwan Exhibition, Automation Expo, Malaysia-Taiwan Image Exhibition, India-Taiwan Image Exhibition) ● 35 press releases on the official website; over 170 email responses. ● 95 posts on Facebook, with 93 message replies; 38 videos on YouTube. ● Organized the 2nd Green Brain Creative Competition for primary and secondary schools, promoting energy-saving concepts at grassroots levels.
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"> ● Evaluation of suppliers—70 per year. ● Examination of suppliers—once a quarter ● Counseling for suppliers---offered if needed ● E-procurement---if needed ● Contact window: (Coordination) Director Lin dora@teco.com.tw 	<ul style="list-style-type: none"> ● Risk assessment and on-site evaluation were undertaken for key suppliers, with key suppliers ● 100% major suppliers have signed the ESG commitments. ● Held a total of 3 sustainable supply chain forums, tutoring 5 suppliers to communicate sustainable issues: ESG, carbon neutral, etc.
Local community	Occupational safety and health Environmental management Social participation Voluntary services for social benefit	<ul style="list-style-type: none"> ● Service centers in industrial parks---services provided irregularly ● Joint efforts to prevent impact of disasters on neighborhoods of industrial parks---once every quarter ● Communication mailbox at the company's website---for use irregularly ● Employees' voluntary work for social benefit---activities held every quarter ● Contact window: (PR) Manager Jiang pr@teco.com.tw 	<ul style="list-style-type: none"> ● No violations of regulations on air pollution and waste disposal as well as no events with negative impact on neighboring communities ● Participation in joint efforts and cooperation with other companies stationed in industrial parks to prevent impact of disasters on residential communities neighboring industrial parks ● Energy-saving education was offered for local communities and schools ● 1,523 employees participated in public activities with 2,611 voluntary hours.

Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
NGO (non-governmental organization)	Environmental protection Social benefit Labor conditions	<ul style="list-style-type: none"> Actively participated in various forums and workshops organized by civil groups and academic groups Non-financial information disclosure: Publish an annual corporate sustainability report revealing specific actions and achievements in environmental (E), social (S), and governance (G) dimensions. Contact window: IR) Director Chien ir@teco.com.tw 	<ul style="list-style-type: none"> Participated in 30 forum events organized by business associations, with a total attendance of 76 individual. Issued corporate sustainability report every year, won the Taiwan Enterprise Sustainability platinum Award for ten consecutive years. Greenhouse gas inventory---the company passes BSI (British Standards Institution) ISO 14064-1 verification to obtain reasonable level of assurance every year
Government agency	Regulatory compliance Occupational safety and health Reduction in greenhouse gas emission Environmental protection Energy management	<ul style="list-style-type: none"> Complied with the requirements of regulatory authorities and regularly submitted reports Participated in regulatory authorities' seminars, regulatory public hearings, and official documents on an ad hoc basis Cooperated with regulatory authorities for supervision and audit Contact window: (Spokesperson) Chien Director speaker@teco.com.tw 	<ul style="list-style-type: none"> Pursuant to OHSAS (Occupational Health and Safety Assessment Series) 18001 and CNS 15506 under Taiwan Occupational Safety & Health Management System, the company has set up an OSHMS for efficient management to secure employees' occupational safety and health.

3.3.4 Compensation Committee

1. Information on Members of Compensation Committee

Criteria		Professional qualifications and experience	Independence Criteria	Number of part-time positions on the compensation committees of other companies
Roles	Name			
Independent Director	Shiang-Chung Chen	Please refer to Page 12 disclosed information about director qualification and independence.	According to the company's articles of association and the "Principles of Corporate Governance," directors are appointed through a candidate nomination system. When nominating and selecting board members, the company has obtained written statements, work experience, current employment certificates, and a list of relatives from each director to verify their independence from the company, spouses, and relatives within three degrees. Additionally, the company has verified that the following four independent directors met the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing the Establishment of Independent Directors of Public Companies and Compliance Matters" and Article 14-2 of the Securities Exchange Act during	1
Independent Director	Wei-Chi Liu			2
Independent Director	Hsieh-Hsing Huang			1
Independent Director	Li-Chen Lin			0

Roles Name		Criteria	Professional qualifications and experience	Independence Criteria	Number of part-time positions on the compensation committees of other companies
				the two years prior to their appointment and throughout their tenure. Moreover, the independent directors have been granted sufficient authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Act, thereby independently executing their relevant duties.	
External Expert	Kung-Yeun Jeng		<p>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 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>	During the two years prior to their appointment and throughout their tenure, he did not violate the provisions regarding independence set forth in Article 6 of the "Regulations Governing the Establishment and Exercise of Functions of Remuneration Committees of Companies Listed on the Stock Exchange or Traded Over-the-Counter."	0

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 .
The attendance and qualifications of committee members is as following:

Title	Name	Number of attendance (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener and chairman	Shiang-Chung Chen	3	0	100%	
Member	Wei-Chi Liu	3	0	100%	
Member	Kung-Yeun Jeng	3	0	100%	
Member	Hsieh-Hsing Huang	3	0	100%	
Member	Li-Chen Lin	3	0	100%	

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.
2. If a member opposes or has reservation, on record or in written form, about the resolutions of the compensations committee.
3. Summary of main subjects of communication and results in 2023

Compensation committee	Communication Item	Communication Result
5-6 (March 3, 2023)	Discussion on the Distribution of Directors' Remuneration for the Year 2022.	Approved, summit to board of directors for resolution
	The proposal on the Company's 2021 remuneration distribution for employees	Approved, summit to board of directors for resolution
5-7 (November 2, 2023)	Report on the Disbursement of Employee Compensation for the Year 2022.	Notification.
	Report on the Long-Term Incentive Compensation System of the Company.	Notification.
	Discussion on the Appointment of Managerial Compensation within the Company.	Approved, summit to board of directors for resolution
5-8 (Dec 19, 2023)	Report on the Performance Evaluation of Managers for the Year 2023 within the Company.	Notification.
	Estimated Report on the Disbursement of Year-End Bonuses for Managers in the Year 2023 within the Company.	Notification.

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		<p>1. The "Board of Directors" serves as the highest level for risk management and establishes the "Corporate Governance and Sustainability Committee" composed of five directors, three of whom are independent directors. They are responsible for managing sustainability (ESG), compliance, and cybersecurity risks, and hold regular meetings.</p> <p>2. The company has established the "ESG Promotion Office" to regularly report directly to the Chairman on the execution and tracking of TECO Corporation's sustainability management goals and policy implementation. It integrates the TCFD framework for sustainable KPI management and risk management reporting. The task force consists of representatives from each business unit/factory, as well as support units such as "Safety and Health," "Human Resources," and "Finance," responsible for promoting routine affairs.</p> <p>3. In 2023, the "Corporate Governance and Sustainability Committee" convened on February 10th and August 8th, chaired by the convener of independent directors. The report from the "ESG Promotion Office" included: the progress and execution report of the ESG work plan for the year of 2023, and supervision of sustainable development and recommendations:</p> <p>(1) Increase the installation of solar power generation equipment: In 2023, 2.03MW capacity was installed at the Italian plant, totaling 9.66MW of solar installation capacity.</p> <p>(2) Suggestions to enhance employee participation and pride in social activities: In 2023, activities such as the Tatung Charity Sports Day, one-acre field planting and harvesting, DEI slogan competition, and performances by the Tatung Foundation for Indigenous Peoples were organized, inviting employees to participate or appreciate.</p> <p>(3) Strengthen participation in external public associations' sustainable activities in response to international sustainable development: In 2023, TECO participated in sustainable-related activities organized by the BCSD, TAISE, and TCSA.</p> <p>(4) Continuously enhance the cybersecurity awareness of all employees: In 2023, TECO Digital Academy implemented information security courses for all employees to strengthen their cybersecurity awareness.</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>4. The progress of sustainability development in year 2023 was reported to the Corporate Governance and Sustainability Committee on February 10th and August 8th, and subsequently to the Board of Directors on March 10th and August 11th, 2023.</p> <p>5. 2023 sustainability report will be submitted to the board of director in June 2024.</p>	
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		<p>1. Teco engages with stakeholders through various communication channels, conducting exchanges and identifying major issues based on global trends. Surveys are created from these identified issues, and proactive interviews are conducted with representative stakeholders to collect and update their level of concern. Issues are sorted and analyzed based on input from external stakeholders and internal management. This process helps identify different perspectives and adjust the direction of sustainability management. Risk of failure in sustainability initiatives and key factors of significance are analyzed to develop internal management systems ensuring goal achievement. Identification of significance and establishment of sustainability goals are reviewed annually.</p> <p>2. In 2023, a significance analysis was conducted across Taiwan, Mainland China, and US factory sites, analyzing 261 questionnaires (52% from Taiwan, 46% from Mainland China, and 2% from other regions). This analysis focused on identifying the top ten high-impact issues among sixteen relevant topics.</p> <p>The top ten high-impact issues identified were: In 2022, a total of 261 surveys were analyzed across Taiwan, Mainland China, and the United States, with Taiwan accounting for 52%, Mainland China 46%, and the remaining 2% from other regions. These surveys focused on 16 relevant topics to identify the top ten high-impact issues. These issues included : (1)investment in talent development, (2)climate and carbon management, (3)seizing innovative opportunities and research and development, (4)use of renewable energy, (5)employee welfare system, (6)diversity and equality among employees, (7)information security measures, (8)prevention and control of air and water pollution, (9)occupational safety maintenance,(10)and supply chain management measure.</p> <p>3. Teco is committed to establishing a comprehensive risk management system, with the Audit Committee and the Corporate Governance and Sustainability Committee serving as the highest level of risk management within the company. These committees oversee various types of risks, employing clear professional division of responsibilities to manage risks at different levels. They report to the Board of Directors regularly. Additionally, the company has an Audit Team directly reporting to the Board of Directors, responsible for monitoring and auditing the entire risk management mechanism. Through</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	
			internal audit operations, the company ensures the effectiveness of risk control and appropriately manages potential risks. 4. The company, in accordance with Article 44 of the "Guidelines for the Establishment of Internal Control Systems by Publicly Issued Companies," formulated the "Risk Management Policy and Procedures" at the 22-17th Board Meeting (2002.3.20). The first amendment was approved at the 26-6th Board Meeting (2022.3.16)	
III. Environment issues (I) Does the company establish an appropriate environmental management system according to its industrial characteristics?	V		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. The headquarters (Teco Electric & Machinery) and 13 production sites have all completed the establishment of ISO 14001 environmental management systems and passed third-party verification, achieving a coverage rate of 100%. These include the following companies: Teco Electric & Machinery (Zhongli Plant, Guanyin Plant, Hukou Plant), Dongsheng Electric, TECO-Westinghouse, Teco Precision, Taicke Wuxi, Wuxi Dongyuan, Wuxi Precision, Jiangxi Dongcheng, Jiangxi Dongyuan, Teco Vietnam, Wuxi Micro Precision Electric, Andakang, Teco Malaysia, Teco Malaysia Johor Bahru, Singapore Sales, and Motovario.	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"> ● Energy Efficiency: In the fiscal year 2022, the total energy consumption for the entire group was 453,012.5 gigajoules (GJ), with a coverage rate of 80.3%. The energy efficiency was 7.77 GJ per million units. For the fiscal year 112, the total energy consumption was approximately 398,710 GJ, with a coverage rate of 80%. The energy efficiency was 6.71 GJ per million unit. ● Renewable Energy Generation: In 2023, TECO completed the installation of a 2.03 MW solar power facility in Italy, adding to existing generation capacity. This brings the cumulative installed solar capacity worldwide to 9.66 MW. Plans for 2024 include expanding generation facilities in Taiwan, Mainland China, and the United States by 8.8 MW. The goal is to achieve a total electricity generation capacity equivalent to 30% of total electricity consumption by the year 2030. ● Motor Material Recycling: Utilizing recycled silicon steel scrap melted down for motor casings, the proportion of recycled iron materials reaches approximately over ninety percent. ● Environmental-friendly Refrigerant Replacement: Continuously promoting the use of R32 eco-friendly refrigerant to replace R410a refrigerant. Approximately sixty percent of air conditioning units are now utilizing R32 eco-friendly refrigerant. 	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			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. Implementing an internal carbon pricing system serves as an incentive measure for internal performance	Compliance with “Sustainable Development Best-Practice Principles for

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summarized Explanation	
and take related countermeasures?			management. By imposing carbon fees, it encourages more active energy conservation and carbon reduction efforts internally. There is also an active plan to establish solar power facilities for global self-owned power generation. In 2023, a renewable energy facility with a capacity of 2.03MW was completed in Italy. The goal is to have such facilities account for 30% of the total electricity consumption. For details on climate change governance, please refer to section 3.3.6	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 reduction, water use reduction or other waste management?			<p>● Greenhouse-gas emission volume: TECO conducts inventory of greenhouse-gas emission volume (scope 1 and 2) for factory premises in Taiwan, China, Vietnam, the U.S., and Italy and subjects the results to ISO 14064-1 verification, to assure the accuracy of inventory data. * With 2020 as the base year for calculation, total carbon emission volume (scope 1 and 2) reached around 69,200 metric tons CO₂e/year, attaining the emission reduction target of 74,200 metric tons CO₂e/year for the year. * In line with the requirement of the Financial Supervisory Commission, the company plans to set up five more stations, to expand management scope, with total emission volumes being: -- Direct emission volume (scope 1): around 13,580 metric tons of CO₂e/year -- Indirect energy emission volume (scope 2): around 44,380 metric tons of CO₂e/year -- Other indirect emission volumes (scope 3): around 226,702 metric tons of CO₂e/year (Taiwan area) Over the past two years, greenhouse gas inventories have been verified by third-party external verification bodies ISO 14064-3 to ensure the accuracy of inventory data. The third-party external verification bodies include BSI (British Standards Institution) in Taiwan, CQC (China Quality Certification Center) in Mainland China and Vietnam, SGS (Taiwan Inspected and Tested Technology) in the United States, and TÜV (TÜV Rheinland) in Italy. Regional electricity coefficients are primarily based on the coefficients announced by the local energy authorities for the current year, referencing the Global Warming Potential (GWP) from IPCC AR6.</p> <p>● Water consumption volume: Based on the additional data provided, water usage for TECO in 2022 amounted to 367.01 Mm³, while in 2021, it was 400.55 Mm³. In 2023, TECO set a target to reduce water usage by 5% annually compared to the baseline year of 2020. The target value was set at 385 Mm³, and the actual total usage was 362.64 Mm³, achieving the target for the year.</p> <p>● Wastes: TECO set its target for 2023 to reduce non-hazardous waste by 5% annually compared to the baseline year of 2020. The target value was 735 metric tons, and the actual amount generated was approximately 719.96 metric tons, achieving the target for the year. For hazardous waste, the target value was set at 292 metric tons, and the actual</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>amount generated was approximately 286.27 metric tons, also achieving the target for the year. Additional data shows that in 2022, the total amount of non-hazardous waste processed was 859.64 metric tons, while in 2021, it was 724.22 metric tons. Regarding hazardous waste, the total amount processed in 2022 was 294.92 metric tons, compared to 336.16 metric tons in 2021.</p> <ul style="list-style-type: none"> ● The complete inventory information listed above will be primarily disclosed in the 2023 Sustainability Report. 	
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?			<p>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. Additionally, TECO promotes various DEI (Diversity, Equity, and Inclusion) activities to foster inclusivity among employees and mitigate potential human rights infringement risk.</p>	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?			<p>1. Sharing of management results</p> <ul style="list-style-type: none"> ● We implement a performance management system to align employee rewards with company performance, thereby motivating employees to fulfill their work mission. In accordance with the company's articles of association, a portion, up to ten percent, of the annual profit is allocated for distributing employee remuneration. Additionally, based on the "Year-end Bonus Evaluation Method," a certain proportion of the company's operating profit is allocated for distributing year-end bonuses. ● Starting from the year 2023, all qualified employees who pass their performance evaluations are eligible to participate in an employee stock ownership trust, which subsidizes employees to purchase company stocks through the trust. This initiative aims to encourage employees to save, engage in financial planning, and foster a partnership between employees and shareholders, ensuring that employees' efforts at work ultimately reflect in the company's dividends and stock prices, leading to the accumulation and appreciation of their wealth. ● Starting from the year 2023, managers and above are assigned three-year goals based on their respective responsibilities and are granted long-term incentive rewards. Subsequently, bonuses are distributed based on the achievement of these three-year goals and individual Key Performance Indicator (KPI) scores. The KPIs are set according to unit and individual indicators, with sustainability project personnel's KPIs linked to relevant sustainability indicators. Additionally, 	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>to ensure gender balance, the company safeguards the employment quota for women through KPI indicators.</p> <ul style="list-style-type: none"> The Employee Stock Holding Association was established in 2020, granting bonuses to managers and above, some of which are used to purchase company stocks through a trust. Simultaneously, an Employee Stock Ownership Association was also formed, allowing managers and above to allocate a portion of their monthly salary, with the company matching the same amount, to purchase company stocks through a trust. TECO will continue to refine its long-term incentive program and increase the proportion of employees assessed based on sustainability indicators. <p>2. Employee welfare measures</p> <ul style="list-style-type: none"> Comprehensive vacation system: In order to balance the work and life balance of colleagues, and implement leave management, 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. <ol style="list-style-type: none"> 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 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 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. Prenatal check-up: If an employee needs to take a leave for Prenatal check-up during pregnancy, she may take such leave up to 10 days per year, better than 7 days by law. 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. Wedding gratuity: When the employees or their children get married, TECO executives will extend our congratulations along with a marriage allowance. 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 wreaths, as well as condolence allowance. 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. 	

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
(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 10 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"> ● Disabling injury frequency rate FR: 1.04 ● Disabling injury severity rate SR: 13 ● Statistics of workplace disaster-related events: 10 events (1 events in Taiwan plants, 5 events in Mainland China plants, 3 events in Italy plants, and 1 event in US.) ● Review and improve through accident investigation and analysis, re-examine the safety of facilities and equipment, and promote employees to wear appropriate protective equipment and operate in accordance with procedures, so as to enhance employees' safety and hygiene awareness and ensure employees' work safety. <p>Each year, we conduct fire safety inspections and comply with annual fire drills (twice a year). Emergency response drills for high-risk equipment and areas in the factory are also conducted. In 2023, there were 2 reported incidents of equipment fires.</p> <ul style="list-style-type: none"> ● The surface of the inner insulation cotton of the baking furnace at the Chungli plant is contaminated with chemical resin, causing resin combustion on the surface of the insulation cotton due to the polythermal effect generated by the circulation inside the furnace; there was no financial loss to the equipment, and after inspection, the equipment resumed normal operation. ● Electrical fire occurred at the output end of the testing area equipment at TECO-Westinghouse in the United States due to loose connection of fixed terminals, leading to overheating; damage to the insulation resulted in an arc, causing an open flame. ● The factory implements occupational safety inspections focusing on safety categories such as on-site, high-risk operations, and fire/equipment/electrical/building safety. Environmental inspections cover categories including air, water, waste, toxins, and noise. Both cases mentioned above were self-extinguished incidents within the factory with no casualties. ● The complete and verified information mentioned above 	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	
			will be primarily disclosed in the 2023 Sustainability Report.	
(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, 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><u>Key Talent System:</u> Key talent refers to personnel below the managerial level who are crucial for the company. Every two years, a review and evaluation of key talent are conducted. Following the selection process, their development progress becomes one of the key performance indicators (KPIs) for their respective units. The Human Resources Center assists employees in setting up Individual Development Plans (IDPs) tailored to their needs, ensuring they receive systematic training and development. Progress on the execution of key talent IDPs is reviewed quarterly to enhance their skills and drive organizational growth.</p> <p><u>Digital Transformation and Digital Talent Development:</u> 1. Digitalization of Knowledge Learning: The company officially introduced a new learning platform in the second half of 2022 and continued its expansion in 2023. 2. Digital Competition - Internal digital project competitions were organized with "Data-Driven" as the main theme. The process involved problem identification, project proposal, Proof of Concept (POC), and results review, aiding the company in data-driven decision-making and identifying new potential business models, becoming a catalyst for the emergence of new operational modes for the company. 3. Digital Seed Cultivation Program: In 2023, a workshop in collaboration was conducted as a precursor to the digital competition, focusing on how digital seeds could brainstorm topics. In July, a 2-day course on digital transformation in smart manufacturing was held, enabling grassroots and mid-level managers to understand digital transformation/lean smart manufacturing from a conceptual standpoint.</p> <p><u>Management Trainee Program</u> Establishing training programs for potential supervisors at the grassroots and mid-level management positions, targeting employees who are being groomed for promotion.</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	
(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?			<p>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 2023, the sales volume of high-efficiency motors account for more than 60%. TECO continues to promote replacement, provide sustainable power for the future.</p> <p>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 and import R32 environmentally friendly refrigerant and environmentally friendly material, 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.</p> <p>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.</p>	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?			<p>The overall content and structure of the sustainability report are based on the Global Reporting Initiative (GRI) Standards 2021 guidelines issued by the Global Sustainability Standards Board (GSSB). The reporting structure and content presentation follow the options provided by the GRI Standards. Environmental aspects and greenhouse gas inventory, among other contents and structures, adhere to the guidelines provided by the Task Force on Climate-Related Financial Disclosures (TCFD). Sustainability issues with significant financial impacts on industries are disclosed according to the Sustainability Accounting Standards Board (SASB) standards.</p> <p>The sustainability report adopts the AA1000 Assurance Standard Type 1 Moderate Assurance, which is ensured for its accuracy by BSI (British Standards Institution)</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	
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: <ul style="list-style-type: none">● 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.● Established in 2023, the Business Development Department for Innovative Energy Storage Operations was created to consolidate resources and pursue opportunities in the privatization of electricity through virtual power plants and microgrid initiatives.● In 2024, the establishment of a management team and supply chain mechanism in the Americas is planned to achieve over 50% localization.● In 2025, the establishment of a short supply chain in the Americas will be completed to shorten lead times, enhance customer satisfaction, and diversify physical risk impacts of climate change. Lead times will be reduced by 48%, and finished goods inventory will decrease by 50%.● By 2030, the completion of 30% renewable energy generation capacity will be achieved. In 2023, the total generation capacity reached 10.58 million kilowatt-hours, approximately 10% of global electricity consumption. Continuing the plan in 2024 to construct an additional 8.8 megawatts of generation facilities is expected to achieve the 30% target by 2030.● Teco organized the "Green Brain Creative Competition" as part of the government's "Cool Classrooms" initiative, providing first-class energy-saving air conditioners to 700 schools to root the concept of energy conservation and emission reduction. Additionally, Teco Technology Foundation continues to promote the "Indigenous Sustainable Education Program" annually, protecting Taiwan's unique cultural heritage through the "Wow! Indigenous Sustainable Education Program" and fostering social inclusivity and sustainability.				
“The complete information will be disclosed in the sustainability report.”				

3.3.6 Climate-related information of listed companies

1. Execution status of climate-related information

Item	Execution status
(1) The oversight and governance of climate-related risks and opportunities by the board of directors and management.	<p>The company establishes the "Corporate Governance and Sustainability Committee" to oversee matters related to "Corporate Governance," "Legal Compliance and Legal Affairs," and "Sustainability and Climate Issues Management." The committee consists of three or more directors, with more than half being independent directors. One independent director is elected by the committee members to serve as the convener and meeting chairperson. Regular meetings are held annually.</p> <p>The TECO has established the "ESG Promotion Office," which regularly reports directly to the Chairman on the implementation and tracking of TECO's corporate sustainability management goals and policy execution. It integrates the TCFD framework for sustainable KPI management and risk management reporting. The task force consists of representatives from various business units/plant sites as well as staff from departments such as "Health and Safety," "Human Resources," and "Finance," responsible for promoting routine affairs.</p> <p>In 2023, the "Corporate Governance and Sustainability Committee" convened on February 10 and August 8, chaired by the convener of independent directors. The "ESG Promotion Office" presented the following content: a report on the progress and execution of the ESG initiatives for 2023, along with recommendations and oversight on sustainable development provided by the committee.</p> <ul style="list-style-type: none"> ● Expansion of solar power generation facilities: In 2023, the installation of solar power facilities saw significant growth. With the completion of a 2.03MW capacity installation at the Italy plant, the cumulative global capacity for solar installations reached 9.66MW. ● Social activities aimed at enhancing employee engagement and pride were suggested: In 2023, various events were organized, including charity sports events, rice planting and harvesting activities, DEI slogan competitions, and performances by the TECO Cultural and Educational Foundation's Indigenous Dance Troupe. Employees were invited to participate in or enjoy these activities. ● To strengthen participation in external sustainability-related activities in response to global sustainable development efforts: In 2023, we engaged in various sustainability-related activities organized by associations such as the Business Council for Sustainable Development (BCSD) Taiwan, the Taiwan Institute for Sustainable Energy (TAISE), and the Taiwan Smart City Development Association (TCSA). ● Continuous efforts should be made to enhance cybersecurity awareness among all employees: In 2023, TECO Digital Academy implemented information security courses for all employees to strengthen their awareness of cybersecurity.
(2) Describing how identified climate risks and opportunities affect the company's business, strategies, and finances (short-term, medium-term, long-term).	<p>Climate Change Transformation Risk Scenario Analysis:</p> <p>Based on the scenario analysis results announced by The Network of Central Banks and Supervisors for Greening the Financial System (NGFS), if current conditions persist, with global temperatures rising by 3°C, the physical impacts would include approximately a 10% loss of labor due to heat-related factors, increased river flooding, typhoons, and cyclones. Economically, the world is projected to lose 2% of GDP by 2040 due to the impacts of natural disasters, leading to stagnation in economic development for many countries. TECO will implement emission reduction activities according to the following short, medium, and long-term plans.</p> <ul style="list-style-type: none"> ● Short-term (by 2025): Achieve a 34% reduction in emissions. This will involve implementing process and equipment improvements across all plants, increasing casting yield rates, upgrading and modernizing furnace circuits, installing solar power generation facilities in factory premises, and enforcing a complete ban on the use of R410A refrigerants in small air conditioning units. ● Mid-term (by 2030): Achieve a 50% reduction in emissions. This will involve installing solar power generation facilities in European and American plants, upgrading casting technology, and discontinuing the use of SF6 in high-pressure equipment products. ● Long-term (by 2050): Achieve carbon neutrality for the entire TECO Group. <p>Climate Change Physical Risk Scenario Analysis</p> <p>Representative Concentration Pathways (RCPs)" are scenarios used to analyze future temperature and precipitation changes, based on the difference in radiative forcing between year 2100 and year 1750. RCP2.6 represents a mitigation scenario, indicating an increase in radiative forcing of 2.6 watts per square meter by the year 2100.</p>

Item	Execution status
	<p>According to the scenario analysis from the Network for Greening the Financial System (NGFS) climate scenario simulation model, RCP4.5 to RCP6.0 represents a moderate warming scenario, while RCP8.5 and above represent a high warming scenario. Based on TECO's global production base output calculations, TECO may incur an annual loss of 510 million dollars after 2050, and under the more severe RCP6.0 scenario, this annual loss may increase to 620 million dollars.</p> <p>Opportunities arising from climate change: In order to enhance adaptive capacity under climate change, both the government and enterprises are committed to three initiatives: "Green Energy Storage Projects," "Industrial Decarbonization," and "Electric Vehicle Power Modules," all of which create new business opportunities for TECO. Additionally, TECO will also play a role as a virtual power plant operator, securing a place in the liberalized electricity market.</p>
(3) Describing the financial impact of extreme weather events and transition actions	<p>According to the European Union's Sustainability Taxonomies guidelines, TECO's revenue proportion in climate change mitigation and adaptation is 54.6%, while its capital investment proportion is 56.8%.</p> <ul style="list-style-type: none"> ● The Electromechanical Systems and Automation Business Group represents the overall performance of the entire business group through the sales proportion of high-efficiency motors: revenue from high-efficiency motors with efficiency above 95% accounts for 84.4%, and revenue from low-voltage motors with IE3 or above efficiency level accounts for 74.7%. ● The Air Conditioning and Smart Living Business Group represents the overall performance of the entire business group through the sales proportion of green appliances: revenue from green appliance products accounts for 60.0%. ● The Smart Energy Business Group represents the overall performance of the entire business group through the revenue from engineering projects (offshore wind power, grid resilience, green buildings, etc.): engineering project revenue accounts for 53.0%. <p>Capital expenditures account for approximately 56.8% of the total investment amount, including the establishment of solar power generation facilities, implementation of new products, technologies, processes, environmental protection equipment, automation, and intelligent projects.</p>
(4) Describing how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system	<p>TECO identifies major issues from global trends, proactively engaging stakeholders to incorporate diverse perspectives. Through a dual-significance analysis, it identifies transformational failure risks. The ESG Office confirms the contents of each issue, explaining the causes, areas of impact, assessment methods, corresponding risks, and management measures for the top ten issues. Additionally, referencing the company's overall Risk Assessment and Analysis Report provided by the Finance Department, it lists key climate risks and sustainable management items, tracks the risk mitigation efforts of responsible units, and discloses them in the sustainability report. The process of identifying significance and setting sustainability goals is conducted annually.</p>
(5) If using scenario analysis to assess resilience to climate change risks, one should elucidate the scenario, parameters, assumptions, analytical factors, and primary financial impacts utilized	<p>Within its industry, TECO has developed high-efficiency motors, with a shipment and sales ratio of 74.7% in 2023, exceeding the global average of 39%, leading the market transition. Moreover, TECO has ventured into developing corrosion-resistant motors required for carbon capture equipment, thereby entering the equipment supply chain. TECO has also established solar power facilities in overseas production bases, aiming for solar energy to constitute 30% of the total electricity consumption.</p> <p>Using the Representative Concentration Pathways (RCPs) as indicators, which represent the difference in radiative forcing between the year 2100 and the year 1750, future temperature and precipitation changes are analyzed. Under the RCP2.6 scenario, Taiwan is projected to face a temperature increase of 2.3°C and a decrease in workforce by 2.3 percentage points by 2050. Based on production output across TECO's global manufacturing bases, the company may incur annual losses of NT\$510 million after 2050 under this scenario. In the more severe RCP6.0 scenario, the annual losses could amount to NT\$620 million.</p>
(6) If there is a transition plan to manage climate-related risks, the details of the plan, as well as the indicators and objectives used to identify and manage physical and transition risks, should be explained	<p>Regarding emission reduction: TECO has announced its "Ten-Year 50% Emission Reduction" plan, aiming to achieve a 50% reduction in operational carbon emissions by 2030. This initiative extends to overseas facilities to synchronize the entire group's efforts towards emission reduction. Actions include energy-saving and emission-reduction measures at production sites, as well as the implementation of digital temperature monitoring systems to improve data processing efficiency.</p> <p>The annual greenhouse gas inventory operation will be upgraded to monthly emission performance tracking. Product-wise, the development of IE5-grade energy-efficient motors has been completed, and environmentally friendly refrigerants are being adopted for small air</p>

Item	Execution status
	<p>conditioners. Plans are in place for the establishment of globally owned power generation facilities, aiming to achieve a 30% increase in power generation capacity.</p> <p>In terms of supply chain diversification:</p> <p>Eestablishing a management team and supply chain mechanism in the Americas with the aim of achieving over 50% localization by 2024, while also mitigating the impacts of climate change-related physical risks. The objectives include reducing lead times by 48% and decreasing finished goods inventory by 50% (Americas' short chain vs. global long chain).</p>
(7) If internal carbon pricing is utilized as a planning tool, the basis for price determination should be explained	<p>Starting from 2023, the comprehensive implementation of internal carbon pricing system is in place. Business group general managers are allocated annual emission allowances and actual budgets are earmarked to cover the emissions for the year. Any emissions exceeding the target entail additional budgetary allocations, thus directly impacting the performance and bonuses of the business groups.</p> <p>The carbon price is set at NTD 1,600 per ton (approximately USD 50), determined based on a comprehensive review of global carbon pricing, research reports from Taiwan Institute for Sustainable Energy, benchmarking with leading domestic enterprises, and the internal investment costs for carbon reduction measures at company production facilities.</p>
(8) If climate-related targets are set, it should be clarified which activities they encompass, the scope of greenhouse gas emissions, the planning timeframe, progress achieved annually, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of carbon offset credits or the number of RECs exchanged should be disclosed	<p>TECO has set a goal to achieve a 50% reduction in Scope 1 and 2 emissions by 2030. As of 2023, the cumulative achievement towards this goal is 34%. TECO is committed to achieving its emission reduction targets through tangible actions. In 2023, it obtained 1,076 green energy certificates through self-consumption of solar power.</p>
(9) Greenhouse Gas Inventory and Confidence Situation with Reduction Targets, Strategies, and Specific Action Plans (also filled in sections 1-1 and 1-2)	<p>TECO Group Subsidiaries Greenhouse Gas Inventory Classification and Statutory Schedule: In accordance with the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies," TECO Group has established a disclosure schedule for greenhouse gas inventories for its subsidiaries, as part of its commitment to sustainability. Subsidiaries included in the consolidated financial statements are categorized into four types based on their operational nature, significance, and contribution to the overall revenue. TECO Group ensures that greenhouse gas inventory tasks are uniformly conducted across all subsidiaries within the specified timeframe.</p> <p>The inventory scope covers both direct emissions of greenhouse gases (Scope 1) and energy indirect emissions (Scope 2), with disclosures phased according to regulatory requirements and aligned with the scope of the company's consolidated financial statements.</p>

1-1 Company's Greenhouse Gas Inventory and Assurance Status in the Past Two Year

Outline the baseline year and its data for greenhouse gas emissions, reduction goals, strategies, specific action plans, and the status of achieving these reduction goals.

Greenhouse Gas Inventory Information

	2022 year	2023 year
Scope 1 (tonCO ₂ e)	21,007.49	Approximately equivalent to 13,580 tons
Scope 2 (tonCO ₂ e)	55,536.06	Approximately equivalent to 44,380 tons
Intensity (tonCO ₂ e/TWD M)	1.59	Approximately equivalent to 1.27.
Scope 3 (tonCO ₂ e)	19,038,553.80	Approximately equivalent to 22M
Coverage (%)	82.7	80%

The managed scope includes TECO Group's core businesses in machinery, appliances, and engineering, encompassing TECO Electric & Machinery (TECO), TECO Electric Europe, TECO-Westinghouse, TECO Precision, Taikosei, Wuxi TECO, Wuxi Precision, Jiangxi Dongcheng, Jiangxi TECO, TECO Vietnam, Wuxi Micro Precision, Andarko, TECO Malaysia, TECO New Town Malaysia, TECO Singapore Sales, Motovario, and Andarko, which are production bases and major sales systems under substantial control. Non-core businesses such as logistics, software, communication, human resources, real estate development, and property management are not included in management.

"The complete assurance information will be disclosed in the sustainability report."

1-1-1 Greenhouse Gas Assurance Information

Description of the assurance status for the two most recent years up to the date of the annual report printing, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.

The greenhouse gas inventories for the two most recent years have been verified by third-party external verification bodies according to ISO 14064-3 standards to ensure the accuracy of the inventory data. The third-party external verification bodies include BSI (British Standards Institution) in Taiwan, CQC (China Quality Certification Center) in Mainland China/Vietnam, SGS (Taiwan Inspection Technology) in the United States, and TÜV (TÜV Rheinland) in Italy. Regional emission factors are primarily based on the coefficients announced by the local energy authorities for the respective years, with reference to the Global Warming Potentials from IPCC AR6.

The scope of management includes TECO Group's electromechanical, household appliance, and engineering businesses, which encompass TECO Electric (TECO), East Success Electrical, TECO-Westinghouse, East Precision Electric, Taikoo Wuxi, Wuxi Dongyuan, Wuxi Precision, Jiangxi Dongcheng, Jiangxi Dongyuan, Vietnam Dongyuan, Motovario, Anda Kang, and other production bases and major sales systems under substantive control. Non-core businesses such as logistics, software, telecommunications, human resources, real estate development, and property management are not included in the management scope.

"The complete assurance information will be disclosed in the sustainability report."

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Description of the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the achievement status of the reduction targets.

2021: Scope 1 and Scope 2 emissions totaled 88,535 tons of CO₂ equivalent (baseline year)

2022: Scope 1 and Scope 2 emissions totaled 76,543 tons of CO₂ equivalent, with an achievement rate of 12% for the cumulative target.

2023: Scope 1 and Scope 2 emissions totaled 57,960 tons of CO₂ equivalent, with an achievement rate of 34.5% for the cumulative target.

Global Greenhouse Gas Inventory Digitalization System:

To rapidly and effectively monitor the greenhouse gas emissions reduction and management performance across the global production sites of the TECO Group, a digitalization system for the internal global greenhouse gas inventory has been established and implemented. This platform enables real-time monitoring of greenhouse gas emissions during the monthly operations for both domestic and overseas production sites, as well as the corporate headquarters. It accelerates data integration and reporting, enhances communication efficiency, and assists in promptly identifying greenhouse gas emission trends, setting carbon reduction targets, identifying significant emission hotspots, and formulating carbon reduction strategies. (Currently implemented in Taiwan and Mainland China production sites).

Internal Carbon Pricing System: Starting from 2023, the internal carbon pricing system has been fully implemented, with a pricing set at NTD 1,600 per ton. The General Managers of the business groups are allocated annual emission allowances and actual budgets are allocated accordingly to cover the emissions. If emissions exceed the target value, additional budget allocation is required, which directly impacts the performance and bonuses of the business groups. (Currently implemented in the three major business groups of TECO Electric & Machinery Co., Ltd.)

Supply Chain Emission Reduction Initiative:

TECO has initiated actions to reduce emissions across its supply chain. In the supplier management evaluation system, assessments of the risks associated with implementing greenhouse gas emission reduction measures have been added. Additionally, sustainability supply chain forums have been organized to guide small and medium-sized enterprise (SME) suppliers in conducting greenhouse gas inventories, particularly within the resource-constrained context. The aim is to enable SMEs in the extensive manufacturing sector in Taiwan to grasp basic carbon emission data and establish emission reduction capabilities, thereby accelerating the global industry's transition to net zero and advancing towards a sustainable supply chain. (Currently implemented in the Taiwan supply chain, with greenhouse gas inventories completed by suppliers representing 52.5% of procurement expenditure.)

3.3.7 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	
<p>I. Formulate policy and program for ethical corporate management</p> <p>(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</p> <p>(II) Whether the company has established an assessment mechanism for the risk of unethical, regularly analyzes and evaluates business activities with a high risk of unethical in the business scope, and accordingly formulates a plan to prevent unethical, and at least cover the preventive measures for the conduct of the second paragraph of Article 7 of the "Code of Integrity Management of Listed OTC Companies"</p>	V		<p>(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.</p> <p>(II) The company's board of directors decided on November 12, 2019 to amend the company's "Ethical Corporate Management Best Practice Principles", clearly listing the evaluation mechanism for the risks of unethical business activities, preventing from items of the scope covering various behaviors of article 7-2 of "Code of Integrity Management of Listed Companies" (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&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</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	
(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>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 2023) 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 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."</p>	
<p>II. Materialize ethical corporate management</p> <p>(I) Whether the company has evaluated the track record on the integrity of business partners and whether the contracts with business partners include</p>	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 & compliance division also incorporates the terms of good faith into the</p>	<p>Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies</p>

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
<p>an article on behavioral integrity.</p> <p>(II) Does the company set up a special unit under the board of directors to promote the integrity management of the enterprise, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent unethical behaviors and supervision and implementation?</p> <p>(III) Whether the company has formulated policy preventing conflict of interest and provided, as well as faithfully executed, proper channel for complaints.</p> <p>(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.</p>			<p>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 & compliance division to promote dedicated units for the formulation of integrity management policies and prevention plans. On February 10, 2023, August 8, 2023, 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 2023 of the board of directors on December 22). 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 2023 in accordance with the measures in 2023. The risk analysis and preventive measures plan for unethical behavior in 2023 was updated on December 6, 2023.</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 express their opinions or appeal.</p> <p>(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 19, 2023) and the board of directors (Dec 22, 2023) 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</p>	

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
(V) Whether the company had held internal or external education and training regularly on ethical corporate management.			<p>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 12, 2024) and board meeting (March 15, 2024). 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.</p> <p>(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. In 2023, the company provided ongoing educational initiatives for current directors, managers, and employees. The course content included topics such as confidential information awareness, trade secrets, fair trade law regarding concerted actions, the prohibition of insider trading (regulations and case studies), offense and defense of trademark infringement claims, legal risks during contract formation, copyright protection and infringement as well as trends in legal amendments, patent search and analysis, and personal data protection law advocacy. A total of 2,631 participants took part in these initiatives, amounting to over 62,275.8 hours of training. Besides achieving a 100% signing rate of the "Integrity Declaration" by employees in 2023, the company also organizes at least one educational session per year on insider trading prevention procedures and related laws for directors, supervisors, managers, and employees. New directors, supervisors, and managers receive timely education, while new employees are guided by the human resources department during pre-service training. Following training sessions, assessments are conducted to evaluate learning progress, and course presentations and video files are made available on the internal employee system for review. Employees are required to study internal regulations and pass assessments.</p>	
III. Implementation of whistleblowing system (I) Has the Company established a concrete whistleblowing and reward system, established convenient	V		<p>(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</p>	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
<p>whistleblowing channels, and designated appropriate personnel to handle the case being exposed by the whistle-blower?</p> <p>(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?</p> <p>(III) Has the Company established measures to protect whistleblowers from retaliation?</p>			<p>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.</p> <p>(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.</p> <p>(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.</p>	Companies
<p>IV. Intensifying information disclosure</p> <p>(I) Whether the company has disclosed its “Ethical Corporate Management Best Practices Principles” on its website and the implementation effect.</p>	V		<p>(I) The company places relevant norms and publicity information on integrity management on its internal website for colleagues to inquire at any time. TECO’s external website (https://www.teco.com.tw) 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.</p>	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
<p>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.</p>				
<p>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"; 2022/4/24 announced the establishment of the "Supplier Code of Conduct"; 2022/9/14 announced the revision of "TECO Group's Business Secret Protection Policy".</p>				

Note 1: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

3.3.8 Corporate Governance Guidelines and Regulations

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

3.3.9 Other Important Information Regarding Corporate Governance

A. The important information regarding corporate governance has been disclosed on Market Observation Post System (b) 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	Feb 9, 2023	Taiwan Institute for Sustainable Energy(TAISE)	The 31st TCC Board Meeting and CEO Forum	2 hrs
		Apr 20, 2023	Taiwan Institute for Sustainable Energy(TAISE)	The 32st TCC Board Meeting and CEO Forum	2 hrs
		July 13, 2023	Taiwan Institute for Sustainable Energy(TAISE)	The 33st TCC Board Meeting and CEO Forum	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Director	Tong Ho Global Investment Co., Ltd. Representative: Cheng-Tsung Huang	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	The Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Director	Show-Shoun Chou	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Director	Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng	June 2, 2023	Chinese National Association of Industry and Commerce(CNAIC)	2023 Taiwan-New Zealand Net Zero Power Summit Forum	3 hrs
		July 4, 2023	Taiwan Stock Exchange(TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit	6 hrs
Director	Yinge Int. Inv. Co., Ltd Representative: Li-Chong Huang	June 2, 2023	Chinese National Association of Industry and Commerce(CNAIC)	2023 Taiwan-New Zealand Net Zero Power Summit Forum	3 hrs
		July 4, 2023	Taiwan Stock Exchange(TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit	6 hrs
		Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs

Title	Name	Date	Organizer	Training Course	Time
Director	Creative Sensor Co., Ltd. Representative: Johnson Hou	May 8, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	Changing the World Through Investment: The Practice of Impact Investing and SDGs	3 hrs
		May 9, 2023	Taiwan Corporate Directors Association(TCDA)	Analysis of Control Rights Contest: Legal Regulations of Hostile Takeovers and Cases of Equity Defense and Offense	3 hrs
		Aug 7, 2023	The Corporate Governance Association of Taiwan(CGAT)	The New Face of Corporate Governance in the ESG Era	3 hrs
Director	Song-Ren Fang	Mar 3, 2023	Taiwan Corporate Directors Association(TCDA)	Opportunities and Challenges of the Circular Economy	3 hrs
		June 2, 2023	Chinese National Association of Industry and Commerce(CNAIC)	2023 Taiwan-New Zealand Net Zero Power Summit Forum	2 hrs
Independent Director	Wei-Chi Liu	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		May 12, 2023	Taiwan Corporate Directors Association(TCDA)	Centennial Practitioners of Innovation Driven by Technology	3 hrs
		Sep 19, 2023	Taiwan Corporate Directors Association(TCDA)	Sustainability and International Competitiveness of Enterprises	3 hrs
Independent Director	Hsieh-Hsing Huang	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Independent Director	Li-Chen Lin	June 2, 2023	Chinese National Association of Industry and Commerce(CNAIC)	2023 Taiwan-New Zealand Net Zero Power Summit Forum	3 hrs
		June 7, 2023	Taiwan Corporate Directors Association(TCDA)	The Future of Business Amid Geopolitical Dynamics: Strategic Shifts and Transformations	3 hrs
Independent Director	Shiang-Chung Chen	Mar 7, 2023	Taiwan Corporate Directors Association(TCDA)	Opportunities and Challenges of the Circular Economy	3 hrs
		Aug 24, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	Sustainability and Dual-Axis Digital Transformation	3 hrs

C. Advanced studies for managing officers :

Title	Name	Date	Organizer	Traning course	Time
President	Hsin Fan	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Business Group President	Fei-Yuan Kao	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Business Group President	Sung-Pin Chang	Aug 11, 2023	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Business Group President	Chi-Tseng Peng	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
TECO General Research Laboratory(TGRI)	Kun-Yao Ho	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Assistant Vice President	Victor Hsu	Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs
Corporate Governance Officer	Shih-Hsiung Chien	July 4, 2023	Taiwan Stock Exchange(TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit	6 hrs
		July 13, 2023	Taiwan Stock Exchange(TWSE)	Seminar on Sustainability Action Plans for Listed Companies	3 hrs
		July 26, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	Seminar on Practical Sharing of Board Performance Evaluation	3 hrs
		Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs

Title	Name	Date	Organizer	Traning course	Time
Accounting Chief	Tommy Wu	Aug 11, 2023	Straits Business Development Foundation(SBDF)	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3 hrs
		Dec 22, 2023	Taiwan Corporate Governance Association of Taiwan(CGAT)	What practical measures should TECO take to address climate change?	3 hrs

D. The situation of resignation in the Company:

Title	Name	On Board Date	Date of resignation	Reason
Chief Information Security Officer	Thomas Fann	Aug 12, 2022	Aug 11, 2023	Position adjustment: Chi-Tseng Peng will take over

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 vice president, 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. In the year 2022, talent evaluation and selection were completed, and five executives were selected for mid- to long-term development planning.
 - (3) Training development: Tutor system, rotation and assignment, management functional training, personal development plan.

Joining TECO Group on April 7, 2022, president Thomas Fann has extensive international and industrial experience and is an instructor at the Taidah Entrepreneurship Center of the National Taiwan University (NTUTEC). Fan boasts abundant management experience with such stints as president of Ford Lio Ho Motor Co., Ltd., president and executive committee chairman of Jiangling Motors Co., Ltd., an affiliate of Ford Motor in mainland China, and advisor to chairman, Foxconn Interconnected Technology Ltd., with worksites spanning Taipei, mainland China, North America, and Europe. Since assuming the presidency, he has spared no effort in cultivating next-generation ranking managers via a mentorship program in which managerial candidates receive instructions from five ranking managers regularly in 2022. Up to the year 2023, three executives have been assigned rotational assignments for training in the United States and mainland China. Starting from the fiscal year 2023, they have also been arranged to participate in group-level executive management decision-making meetings, aimed at cultivating the group's global operational decision-making capabilities and enhancing their strategic thinking.

3.3.10 Internal Control System

1. Statement of Internal Control System

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

March 15, 2024

In the fiscal year 2023, the internal control system of our company, according to the results of self-assessment, is hereby declared as follows:

1. The company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the board of directors and management. The company has established such a system. Its purpose is to achieve the effectiveness and efficiency of operations (including profitability, performance, and asset security), provide reliable, timely, transparent, and compliant reporting, and ensure compliance with relevant regulations and laws, providing reasonable assurance.
2. The internal control system has inherent limitations. Regardless of how well-designed it is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the company's internal control system has a mechanism for self-monitoring, and any deficiencies identified will be rectified promptly by the company.
3. Our company evaluates the effectiveness of the internal control system based on the criteria outlined in the "Guidelines for Establishing Internal Control Systems for Publicly Traded Companies" (hereinafter referred to as the "Guidelines"). These criteria are used to assess the design and implementation effectiveness of the internal control system. The criteria adopted in the "Guidelines" categorize the internal control system into five components based on the management control process: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring. Each component includes several elements. Please refer to the provisions of the "Guidelines" for the specific details of these elements.
4. Our company has already adopted the internal control system assessment criteria mentioned above to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the inspection results mentioned above, our company believes that the internal control system (including supervision and management of subsidiaries) as of December 31, 2023, effectively ensures the achievement of operational effectiveness and efficiency goals, reliable, timely, transparent reporting, and compliance with relevant regulations and laws. The design and implementation of the internal control system are effective and can reasonably ensure the achievement of the above objectives.
6. This statement will serve as the main content of our company's annual report and public disclosure document, which will be made available to the public. Any false or concealed information in the above public content may incur legal liabilities under the Securities and Exchange Act, including Articles 20, 32, 171, and 174.
7. This statement has been approved by the board of directors of our company on March 15, 2024. There were 11 directors present or represented by proxy, all of whom fully agreed with the contents of this statement.

Teco Electric & Machinery Co., Ltd.

Chairman: Sophia Chiu

President: Thomas Fann

2. Those who entrust an accountant to review internal controls should disclose the accountant's review report:
None

3.3.11 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

3.3.12 Major Resolutions of Shareholders' Meeting and Board Meetings

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

- February 17, 2023 The board of directors decided to convene the shareholders' meeting on May 24, 2023 at No. 11, Andong Rd, Zhongli District, Taoyuan City (Zhongli Plant of the Company), and the cessation of transfer period was from March 26, 2023 to May 24, 2023.
- March 15, 2023 (1) 2022 consolidated financial report resolved by the board of directors, which shows that the consolidated operating income of NT\$58,315,216 thousand, accumulated net profit of NT\$3,992,010 thousand in the current period, accumulated net profit attributable to the owner of the parent company of NT\$3,457,667 thousand, and accumulated basic earnings per share of NT\$1.64.
- (2) The Board of Directors resolved cash dividend NT\$1.5 per share with the total amount NT\$ 3,208,195 thousand.
- May 12, 2023 (1) The consolidated financial report for the first quarter of 2023 was submitted to the board of directors, which shows that the consolidated operating income was NT\$14,900,181 thousand, the cumulative net profit before tax was NT\$1,743,007 thousand, the cumulative net profit attributable to the parent company was NT\$1,634,863 thousand with the basic earnings per share was NT\$0.78.
- (2) The board of directors resolved to pay cash dividend NT\$1.5 per share, as total amount of NT\$ 3,208,195 thousand. The ex-dividend base date was June 21, 2023, and the cash dividend payment date was July 14, 2023.
- May 24, 2023 Important resolutions in Annual Shareholders' Meeting
- (1) Acknowledged 2022 business report and financial statement (proposed by the board).
- (2) Acknowledged 2022 profit distribution plan (proposed by the board)
- (3) Approved the proposal for the Amendment to Article of Incorporation (proposed by the board)
- (4) Approved the proposal for the removal of the non-competition restrictions. (proposed by the board)
- Aug 11, 2023 (1) The consolidated financial report for the second quarter of 2023 was submitted to the board of directors, which shows that the consolidated operating income was NT\$29,964,245 thousand, the cumulative net profit before tax was NT\$3,997,382 thousand, the cumulative net profit attributable to the parent company was NT\$3,756,793 thousand with the basic earnings per share was NT\$1.78.
- (2) The board of directors has approved the reassignment of the "Chief Information Security Officer." Due to internal restructuring within the company, the position of "Chief Information Security Officer" will now be concurrently held by Mr. Chi-Tseng Peng, the President of the Air and Intelligent Life Business Group, effective from August 11, 2023
- (3) The board of directors has approved the appointment of the "Financial Chief" Mr. Victor Hsu, currently serving as Assistant Vice President in the Finance and Management Center,

has been appointed to this position, effective from September 25, 2023.

- Nov. 13, 2023 Submission of 2023 Q3 consolidated financial report to the board of directors, which shows that consolidated operating revenue stood at NT\$45,029,347 thousand, pre-tax profit reached at NT\$ 5,106,802 thousand and net income attributable to the parent company is NT\$4,737,947 thousand in the first three quarters of 2023, with earnings per share reaching NT\$2.25.
- Feb 20, 2024 The board of directors decided to convene the shareholders' meeting on May 24, 2024 at No. 11, Andong Rd, Zhongli District, Taoyuan City (Zhongli Plant of the Company), and the cessation of transfer period was from March 26, 2024 to May 24, 2024.
- March 15, 2024 (1) 2023 consolidated financial report resolved by the board of directors, which shows that the consolidated operating income of NT\$59,393,661 thousand, accumulated net profit of NT\$6,332,032 thousand in the current period, accumulated net profit attributable to the owner of the parent company of NT\$5,830,061 thousand, and accumulated basic earnings per share of NT\$2.76.
- (2) The Board of Directors resolved cash dividend NT\$2.2 per share with the total amount NT\$ 4,705,353 thousand.

B. Implementation of Resolutions made in Annual Shareholders' Meeting on May 24, 2023.

Number	Resolution	Implementation
1.	Acknowledged 2022 business report and financial statement. (proposed by the board)	※ The proposal was approved by the participating Shareholders with 95.10% approved percentage.
2	Acknowledged 2022 profit distribution. (proposed by the board)	1. The proposal was approved by the participating Shareholders with 95.23% approved percentage. 2. The board of directors resolved on 2023/05/12 that the ex-dividend base date is 2023/06/12, and the cash dividend has been paid on 2023/07/14. The total cash dividend of ordinary shares distributed is NT\$3,208,195 (NT\$1.5 per share)
3	Amendment to "Article of Incorporation" (proposed by the board)	1. The proposal was approved by the participating Shareholders with 94.48% approved percentage 2. Approved by the Ministry of Economic Affairs (JingShouShang No. 11230097320) on 2023/06/05 to change the registration record and announced it on the company website.
4	Removal of the non-competition restriction (proposed by the board)	1. The proposal was approved by the participating Shareholders with 94.07% approved percentage 2. The directors who have been relieved of the non-compete restrictions due to their concurrent positions in other companies include: Cheng-Tsung Huang, representing Tung Ho International Investment Co., Ltd.; Li-Chong Huang, representing Yingde Int. Inv. Co., Ltd.; Jack Hou, representing Creative Sensor Inc.; and Song-Ren Fang

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
Chief Information Security Officer	Thomas Fann	Aug 12, 2022	Aug 11, 2023	Position adjustment: Chi-Tseng Peng will take over

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	2023	

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	2023/1/1~12/31	13,380	-	13,380	
	Chou, Chien-Hung					
Pricewaterhouse Coopers	Hsu, Li-Chen	2023/1/1~12/31	-	1,730	1,730	Note
	Huang, Ching-Yen					
Pricewaterhouse Coopers	Li, Yi-Hua	2023/1/1~12/31	-	1,300	1,300	Note

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	2023		April. 10, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Tong Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu	0	(5,747,457)	0	5,475,000
		135,944	0	0	0
Director	Tong Ho Global Investment Co., Ltd. Representative : Cheng-Tsung Huang	0	(265,000)	0	0
		0	0	0	0
Director	Ho Yuan International Investment Co., Ltd. Representative: Pen- Ching Cheng	483,000	0	0	0
		0	0	0	0
Director	Yinge Int. Inv. Co., Ltd Representative : Li-Chong Huang	0	0	0	0
		0	0	0	0
Director	Creative Sensor Inc. Representative: Jack Hou	(21,927,000)	0	(575,000)	(7,000,000)
		0	0	0	0
Director	Show-Shoun Chou	(4,000)	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

3.7.1.2 Changes in Shareholding of Managers

Unit: Share

Title	Name	2023		April. 30, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
President	Thomas Fann	0	0	0	0
Business Group President	Sung-Pin Chang	41,962	0	0	0
Business Group President	Chi-Tseng Peng	63,708	0	0	0
Business Group President	Fei-Yuan Kao	37,813	0	0	0
General Director of Teco Group Research Institute	Kun-Yao Ho	0	0	0	0
Finance Chief (Note)	Victor Hsu	0	0	0	0
Corporate Governance Officer	Shih-Hsiung Chien	0	0	0	0
Accounting Chief	Tommy Wu	4,124	0	0	0

Note: The board of directors has approved the appointment of Mr. Victor Hsu, currently serving as Assistant Vice President in the Finance and Management Center, as a manager, effective from September 25, 2023.

3.7.1.3 Changes in Shareholding of Major Shareholders

Unit: Share

Title	Name	2023		April 30, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major Shareholder	PJ Asset Management	0	0	0	0
Major Shareholder	Walsin Lihwa Corporation	666,000	0	0	0

3.7.2 Shares Transfer with Related Parties

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

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

April 30, 2024

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%	Ho Yuan International Investment Co., Ltd.	Director is the representative of Ho Yuan International	None
							Jaryuan Investment Co. Ltd	Director is the representative of Jaryuan Investment	
Walsin Lihwa Corporation	231,104,730	10.81%	0	0%	0	0%	None	None	None
Jaryuan Investment Co. Ltd	135,653,000	6.34%	0	0%	0	0%	PJ Asset Management	The representative is serving as a director of PJ Asset Management	None

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	
Capital Taiwan High Dividend ETF Fund Account	57,614,000	2.69%	0	0%	0	0%	None	None	None
Ho Yuan International Investment Co., Ltd.	50,420,000	2.36%	0	0%	0	0%	PJ Asset Management	The representative is serving as a director of PJ Asset Management	-
Creative Sensor Co., Ltd.	46,987,000	2.20%	0	0%	0	0%	None	-	-
Tong Kuang Investment Co., Ltd.	31,991,364	1.50%	0	0%	0	0%	Kuan Yuan Industrial Co., Ltd.	1. Serving as a director of Kuan Yuan Industrial Co., Ltd. 2. Supervisor is the same person	-
							Yuban International Investment Co., Ltd.	Serving as a supervisor of Yuban International Investment Co., Ltd.	
Kuan Yuan Industrial Co., Ltd.	26,833,919	1.25%	0	0%	0	0%	Tong Kuang Investment Co., Ltd.	1. Serving as a director of Tong Kuang Investment Co., Ltd. 2. Supervisor is the same person	-
							Yuban International Investment Co., Ltd.	Serving as a supervisor of Yuban International Investment Co., Ltd.	
Yinge Int. Inv. Co., Ltd	22,554,698	1.05%	0	0%	0	0%	None	None	None
Yuban International Investment Co., Ltd.	20,889,000	0.98%	0	0%	0	0%	Kuan Yuan Industrial Co., Ltd.	1. The legal representative director is held by Kuan Yuan Industrial Co., Ltd. 2. The representative serves as the supervisor of Kuan Yuan Industrial Co., Ltd.	None
							Tong Kuang Investment Co., Ltd.	1. The legal representative director is held by Tong Kuang Investment Co., Ltd. 2. The representative serves as the supervisor of Tong Kuang Investment Co., Ltd.	

3.9 Long-Term Investments Ownership

Dec 31, 2023

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.	77,847,395	100.00%	0	0.00%	77,847,395	100.00%
TECO Holding, USA	1,680	100.00%	0	0.00%	1,680	100.00%
TECO Electric & Machinery Pte Ltd. Singapore	7,200,000	90.00%	800,000	10.00%	8,000,000	100.00%
Tong An Assets Management & Development Co., Ltd.	395,415,338	100.00%	0	0.00%	395,415,338	100.00%
Tong An Investment Co., Ltd.	577,913,365	99.60%	2,182,277	0.40%	580,095,642	100.00%
TECO Electro Devices Co., Ltd.	10,253,864	59.56%	259,926	1.51%	10,513,790	61.07%
Tecnos International Consultant Co., Ltd.	7,484,459	57.52%	2,084,119	16.02%	9,568,578	73.54%
UVG Investment Co., Ltd.	195,416,844	100.00%	0	0.00%	195,416,844	100.00%
Information Technology Total Services Co., Ltd.	11,467,248	41.97%	1,924,250	7.04%	13,391,498	49.01%
Tesen Electric & Machinery Co., Ltd.	20,000,000	100.00%	0	0.00%	20,000,000	100.00%
Taitec Technology CO.,LTD.	950,000	95.00%	0	0.00%	950,000	95.00%
Yatec Engineering Corp.	7,800,000	64.95%	0	0.00%	7,800,000	64.95%
Taian (Subic) Electric Co., Inc.	17,131,155	76.70%	0	0.00%	17,131,155	76.70%
An Tai International Investment Co., Ltd.	39,641,929	100.00%	0	0.00%	39,641,929	100.00%
Micropac (BVI)	6,883,591	100.00%	0	0.00%	6,883,591	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	19,228,898	63.52%	0	0.00%	19,228,898	63.52%
E-Joy International Co., Ltd.	10,788,200	93.16%	567,799	4.90%	11,355,999	98.07%
A-Ok Technical Co., Ltd.	1,950,000	86.67%	0	0.00%	1,950,000	86.67%
TECO Technology (Vietnam) Co., Ltd.	0	100.00%	0	0.00%	0	100.00%
TECO (Philippines) 3C & Appliances, Inc.	2,604,000	60.00%	0	0.00%	2,604,000	60.00%
An-Sheng Travel Co., Ltd.	480,000	16.00%	2,207,500	73.58%	2,687,500	89.58%
Taiwan Pelican Express Co., Ltd.	24,121,700	25.27%	7,740,800	8.11%	31,862,500	33.38%
Eagle Holding Co.	1	100.00%	-	0.00%	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.	7,728,000	60.00%	0	0.00%	7,728,000	60.00%
Tong An Energy	5,000,000	100.00%	0	0.00%	5,000,000	100.00%

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.