

# TECO Electric & Machinery Co., Ltd.

## Corporate Governance and Sustainability Committee Charter

(Summary Translation) This English version is a translation of the Chinese version. If there is any inconsistency or discrepancy between the Chinese and English versions, the Chinese version shall prevail for all intents and purposes.

### Article 1 (basis for the formulation of the regulations)

The Corporate Governance and Sustainability Committee (“the committee” in short hereafter) Charter is formulated according to the stipulation of article 27 of the company's "Corporate Governance Best Practice Principles," in order to establish a good governance system, rationalize and strengthen management functions, fulfill corporate social responsibilities, and attain sustainable development.

### Article 2 (application scope)

Unless laws/regulations and corporate charter stipulate otherwise, the committee should comply with the Charter in the number and tenure of members, authority, and meeting rules.

### Article 3 (governance items)

With authorization by the board of directors according to the Charter, the committee focuses on the following items in its operation:

1. rationalization of the organization and system of corporate governance;
2. nomination of candidates for directors and independent directors;
3. strengthening of the function of the board of directors;
4. supervision and evaluation of the fulfillment of corporate social responsibilities and attainment of sustainable development;
5. oversight of the operation and management of the units under the direct jurisdiction of the board of directors.

### Article 4 (makeup of the committee)

According to the resolution of the board of directors, the committee consists of over three directors, more than half of whom are independent directors, including one serving as the convener and chairman of committee meetings, to be elected among the members.

Unless there is different stipulation in laws/regulations and the company's charter, tenure of committee members start from the date of the resolution of the board of directors until the end of the tenure of each director, resignation of the seat on the committee or the board of directors, or substitution by another director according to the resolution of the board of directors.

#### Article 5 (scope of duties)

In order to attain the objectives stipulated in article 3, the committee should fulfill the following duties:

1. review and evaluate of the soundness of the company's corporate-governance organization and system and proposal of suggestions for the board of directors accordingly;
2. review the operating plans of "CSR Committee," "Corporate Governance Center," and "Legal Compliance and Legal Affairs Office" at the start of every year and track the performance of execution;
3. formulate the criteria for the selection of independent directors, taking into account experience, expertise, and independence, for submission to the board of directors for approval;
4. nominate candidates of independent directors to the board of directors according to the aforementioned selection criteria;
5. supervise and evaluate the fulfillment of corporate social responsibilities and attain sustainable development;
6. fulfil other duties assigned to the committee according to the resolution of the board of directors.

#### Article 6 (meeting method)

The committee is convened at least twice a year, with extra meetings to be held whenever necessary.

A signature book should be prepared for members to register their attendance at the meetings of the committee and is regarded as part of the minutes of meetings.

Members of the committee should attend its meetings in person or via videoconferencing, but in case of emergency attendance via phone call is permissible, which is regarded as personal presence.

The committee can invite members of the company's management team, certified public accountants, legal consultants, and others to attend its meeting for the provision of necessary information.

Related data should be prepared as reference for members for the meetings of the

committee.

#### Article 7 (convener)

The notice for the convening of the committee should contain explanation for the purpose of the meeting and be sent to members in electronic or print form prior to the meeting, except in cases of emergencies.

The convener of the committee can designate another member to convene the meeting, if he/she is unable to do so, whether on leave or for other reasons; other members can elect one member to convene the meeting, if the convener fails to designate one to do the task.

#### Article 8 (setting of agenda)

The convener sets the agenda of the committee meeting but other members can also propose items for deliberation.

#### Article 9 (abstention from deliberation)

Directors who are members of the committee should abstain from deliberation of the following items during the meeting:

1. involvement by the member or the juridical person he or she represents in conflict of interest with the company;
2. items abstained by members themselves due to their own judgment;
3. abstention made according to resolutions made by the board of directors or the committee.

If the committee cannot make a resolution due to the aforementioned stipulations, the case should be submitted to the board of directors for resolution.

#### Article 10 (employment of experts)

The committee can resolve to employ an attorney at law, a certified public accountant, or other experts for undertaking auditing or providing consultation on items stipulated in article 3 and article 5, with related expenses to be borne by the company.

#### Article 11 (obligations of committee members)

Members of the committee should faithfully fulfill, as a prudent administrator, their duties specified by the Charter and submit their proposals to the board of directors for resolution.

#### Article 12 (implementation)

The Charter is to be put into practice after approval by the board of directors and the

same procedure is to be followed for revisions.

#### Article 13

The Charter became effective on Aug. 13, 2018.