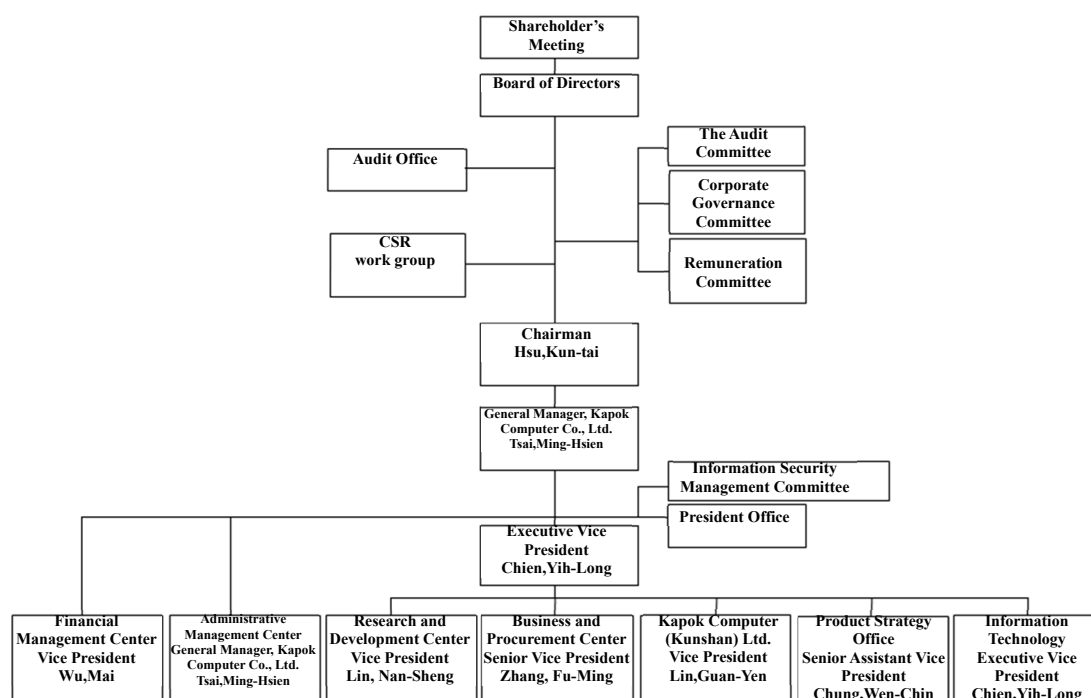


# Corporate Governance Report

## I. Organization System (1) Organizational Structure

Date: April 30, 2022



### (II) Main Departments' Business

Name of Department	Responsible Business
Audit Office	Examine and review the internal control system of the Company and the subsidiaries, and audit all rules and systems.
President Office	Establish the Company's business targets and policies, operate each business and supervise/execute the affiliates' management.
Administrative Management Center	<ol style="list-style-type: none"> <li>1. Be responsible for the human resource management and general administration management for the entire enterprise.</li> <li>2. Be responsible for the legal and intellectual property management for the entire enterprise.</li> </ol>
Financial Management Center	<ol style="list-style-type: none"> <li>1. Engage in the accounting and tax affairs, set up the budget, analyze the business, and prepare the financial statement.</li> <li>2. Fund planning, long-term and short-term investment, foreign exchange hedging, and interbank transactions.</li> <li>3. Services of stock affairs, investor and media relations management, and corporate governance operations.</li> </ol>
Research and Development Center	Be responsible for product's research, development, design and technological application.
Business and Procurement Center	<ol style="list-style-type: none"> <li>1. Plan the global marketing, promote the business and sales; push the global deployment as well as deepen the regions and channel market.</li> <li>2. Strengthen the after-sales services, meet the customers' demand, intensify the relationships with customers, reduce the risk of the bad debt and take charge of materials' support.</li> <li>3. Strategic purchase, price negotiation and enquiry for the market price of the components of electrons and mechanisms.</li> <li>4. Enhance the Company's image, participate in exhibition, advertise, plan and implement.</li> </ol>
Kapok Computer (Kunshan) Ltd.	<ol style="list-style-type: none"> <li>1. Be responsible for planning and coordination of orders received from Taiwan as well as production and manufacture in China.</li> <li>2. Analyze the production capacity and set up the plans of production and manpower according to the plans of production and sales.</li> <li>3. Prepare the material plans according to production plans, and control the issuance of material orders to maintain the lowest inventory volume.</li> <li>4. Establish the production system with high-flexibility, high-efficiency, high-quality and low-cost to meet the customers' demand.</li> <li>5. Implement the on-site real time service to enhance the service quality for the customers.</li> </ol>
Product Strategy Office	Be responsible for new products' development and market development's planning.
Information Technology	<ol style="list-style-type: none"> <li>1. Plan and Implement the IT operation and e-operation, integrate the IT and communication.</li> <li>2. Application of systemic plans and design as well as information security and management.</li> </ol>

II. Information for Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, Chiefs of Each Department and Branches

(I) Information for Directors and Supervisors

1. Name, sex, age, nationality or location of registration, education, experience and other positions in the Company or other companies and other information of each director and supervisor

April 17, 2022

Title (Note 1)	Nationality/Place of Registration	Name	Sex/age (Note 2)	Election (appointment) date	Term	First election/appointment date (Note 3)	Shareholding When Elected		Current Shareholding		Current Shareholding by the Spouse and Minor Children		Shareholding Under Other Persons' Names		Education and experience (Note 4)	Current Other Positions for the Company and Other Companies Concurrently	Executives, Directors or Supervisors Who Are Spouses or Within Second-Degrees of Kinship			Remarks (Note 5)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Full name	Relationship	
Chairman	R.O.C.	Hsu,Kun-tai	Male 61~70 years old	August 26, 2021	3 Years	October 4, 1983	51,701,335	7.96%	46,701,335	7.27%	21,371,784	3.33%	0	0.00%	Honorary doctorate of the Engineering Institute, Taipei University of Technology. Department of Electronic Engineering, National Taipei Institute of Technology Chairman, Clevo Co. Chairman, Chicony Electronics CO., Ltd Chairman, the Group of Buynow and the Group of the Chicony Plaza Department Store	Chairman, the Company Chairman, Chicony Electronics CO., Ltd(2385) Chairman, the Group of Buynow Chairman, Chicony Plaza Department Store Chairman, Hongwell Group Chairman, Taipei Twin Towers Limited	-	-	-	-
Vice Chairperson and President	R.O.C.	Tsai,Ming-Hsien	Male 61~70 years old	August 26, 2021	3 Years	May 27, 1993	10,084,224	1.55%	10,084,224	1.57%	3,054,593	0.48%	0	0.00%	Executives Program, Graduate School of Business Administration, National Cheng-Chi University Department of Electronic Engineering, National Taipei Institute of Technology Vice Chairman and President, Clevo Co. President, the Buynow Group	President, the Company Director, Clevo Investment Co., Ltd. Chairperson and General Manager, Kapok Computer Co., Ltd. Chairman, Kapok Computer (Kunshan) Co., Ltd. President, the Buynow Group Vice Chairman, Chicony Plaza Department Store Vice Chairman, Taipei Twin Towers Limited	-	-	-	-
Director	R.O.C.	Lu,Jin-Zong	Male 61~70 years old	August 26, 2021	3 Years	June 12, 2003	0	0.00%	0	0.00%	11,543	0.002%	0	0.00%	Graduate School of Business Administration, National Cheng-Chi University Department of Enterprise Management, National Cheng-Chi University General Manager of Chicony Electronics Co., Ltd.	General Manager, Chicony Electronics Co., Ltd. Legal Representative Chairman of Chicony Power Technology Co., Ltd., Zhanda Communication Co., Ltd., and Youkang Electronics Co., Ltd. Legal Representative of Hipro Electronics (Taiwan) Co., Ltd.; Kuang Sheng Investment, Chicony Energy, Newmax, SOE Co., Ltd. Director, Subsidiary of Chicony Overseas Group Director and Secretary, Chicony U.S.A. Director and General Manger, Chicony Electronics (Dongguan) Director and Supervisor, Maorui Electronics Director, Chicony Electronics (Chongqing)	-	-	-	-
Director	R.O.C.	Chien,Yih-Long	Male 51~60 years old	August 26, 2021	3 Years	June 15, 2012	1,673,376	0.26%	1,673,376	0.26%	0	0.00%	0	0.00%	MBA, Phillips University, USA Director, Clevo Co. Executive Vice President, Notebook Business Group, Clevo Co.	Executive Vice President, Notebook Business Group, the Company President, Kapok Computer (Kunshan) Co., Ltd.	-	-	-	-

Title (Note 1)	Nationality/Place of Registration	Name	Sex/age (Note 2)	Election (appointment) date	Term	First election/appointment date (Note 3)	Shareholding When Elected		Current Shareholding		Current Shareholding by the Spouse and Minor Children		Shareholding Under Other Persons' Names		Education and experience (Note 4)	Current Other Positions for the Company and Other Companies Concurrently	Executives, Directors or Supervisors Who Are Spouses or Within Second-Degrees of Kinship			Remarks (Note 5)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Full name	Relationship	
Independent Director	R.O.C.	Chou,Po-Chiao	Male 61~70 years old	August 26, 2021	3 Years	June 15, 2018	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor, Department of Accountancy, NCKU Qualified Senior Examination of Accounting and Auditing Personnel Executive Director and President, First Commercial Bank Director and Vice President, First Financial Holding Chairman, US First Commercial Bank Chairman, First Venture Capital and First Consulting Vice Chairman, Waterland Financial Holdings Director, Taipei Financial Center Corporation	The Company's independent director Independent Director, ITEQ Corporation	-	-	-	-
Independent Director	R.O.C.	Chen,Tsung-Ming	Male 71~80 years old	August 26, 2021	3 Years	June 16, 2015	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Tamsui Vocational High School Director, Zippy Materials Science Inc. Chairman, Betterment Co., Ltd.	The Company's independent director Director, Zippy Materials Science Inc. Chairman, Betterment Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Lai,Ling-Ming	Female 51~60 years old	August 26, 2021	3 Years	June 19, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA, University of Liège, Belgium General Manager, Chinese Business, AON RISK SERVICES AUSTRALIA (SYDNEY) Director, AON RISK SERVICES HK Chairman and CEO, AON RISK SERVICES TW	The Company's independent director Chairman, Toro Biotech Co., Ltd.	-	-	-	-

Note 1: The name of corporate shareholders and the representatives of corporate shareholders should be listed separately (the representatives of corporate shareholders shall indicate the name of the corporate shareholders).

Note 2: Please list the actual ages. Indication by age groups allowed, such as 41~50 years old or 51~60 years old.

Note 3: First-time service as the Company's director or supervisor. Details required in case of gaps.

\* Director Chin-Tsung Lu was elected as a supervisor of the Company for the first time on June 12, 2003; his term as a supervisor was finished on June 15, 2018 and he was re-elected as a director of the Company at the regular shareholders' meeting on June 18, 2019.

Note 4: Experience relevant to the current role. The positions and responsible tasks should be provided if previously working for the external auditing firm or its affiliates.

Note 5: If Chairman and President or the holder of an equivalent position (the highest level manager) are the same person, spouses or first-degree relative to each other, it is necessary to explain the reason, reasonableness, necessity and countermeasures (e.g., increase of independent directors and over half of the directors not serving as employees or managers).

1.2 Major Shareholders of the Corporate Shareholders (all of the directors of the Company are natural persons)

1.3 Professional qualifications of directors and supervisors and independence of independent directors

April 17, 2022

Criteria Full name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Hsu,Kun-tai	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	-	None
Tsai,Ming-Hsien	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	-	None
Lu,Jin-Zong	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	-	None
Chien,Yih-Long	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act	-	None
Chou,Po-Chiao (Independent Director)	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act Work experience: Executive Director and President of First Commercial Bank; Director and Vice President of First Financial Holding Co., Ltd.(P12)	(Note 3)	1
Chen,Tsung-Ming (Independent Director)	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act Work experience: Chairman of Betterment Co., Ltd.; Director of Zippy Materials Science Inc. (P12)	(Note 3)	None
Lai,Ling-Ming (Independent Director)	Work experience of over five years in business, law, finance or banking and no circumstances described in Article 30 of the Company Act Work experience: General Manager, Chinese Business, AON RISK SERVICES AUSTRALIA (SYDNEY) Director of AON RISK SERVICES HK, Chairman and CEO of AON RISK SERVICES TW (P12)	(Note 3)	None

Note 1: Professional qualification and experience: Please describe the professional qualifications and experience of each director and supervisor. It is necessary to describe accounting or financial background and work experience if in the Audit Committee and equipped with accounting or financial expertise. Please also explain whether there are circumstances described in Article 30 of the Company Act.

Note 2: It is required to describe the compliance of independence for independent directors. This includes but not limits to whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or its affiliated enterprises; the number of shares and the percentage of shareholdings owned by the director, the director's spouse or any relative within two degrees (or under other people's names); whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the enterprises with specific relations with the Company (in reference to the fifth to the eighth paragraphs of Article 3-1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) and whether any business, legal, financial or accounting services were provided to the Company and its affiliated enterprises during the most recent two years and if so, the amount of compensations obtained.

Note 3: Compliance of independence is as follows:

- (1) None of the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or affiliated enterprises.
- (2) None of the director, the director's spouse or any relative within two degrees held the Company's shares as of April 17, 2022.
- (3) Not serving as a director, supervisor or employee of any enterprise with specific relations with the Company.
- (4) No rendering of services in business, law, finance or accounting to the Company or its affiliated enterprises during the most recent two years and hence no amount obtained as compensations.

1.4 Board diversity and independence

I. Board diversity

1. Article 20 of the Company's Practical Guidelines on Corporate Governance stipulates the board diversity policy. The nomination and the election of board members are in accordance with the Company's Articles of Incorporation. The candidate nomination system is adopted. In addition to the assessment of each candidate's education, experience and qualifications, the Company also refers to the

feedback from stakeholders. The Procedures for Election of Directors and the Practical Guidelines on Corporate Governance are observed in order to the board diversity and independence. All the current directors are Taiwanese citizens. In 2021, the directors who were also the Company's employees accounted for 29% of the board. Independent directors accounted also for 43% of the board. Two independent directors have a tenure of 3 to 6 years, one with a tenure of 6 to 9 years. One director is aged above 70 years old, four between 61 and 70 years old, two below 60 years old. The Company emphasizes gender equality in the board composition. Female directors account for 14% of the board. Going forward, we plan to recruit one or two high-caliber female professionals to serve as our directors. The table below summarizes the realization of board diversity:

Name of Director	Nationality	Sex	Age	Independent director's tenure	Aspect I: Experiences Background					Aspect II: Overall Capability					
					Professional Background	Professional Techniques	Industrial Experiences	Capability for judging the business.	Capability for analyzing accounting and finance.	Capability for business management.	Capability for dealing with risks.	Industrial knowledge.	International market viewpoint.	Capability of leadership.	Capability of decision-making.
Hsu,Kun-tai	R.O.C.	Male	61~70		V	V	V	V	V	V	V	V	V	V	V
Tsai,Ming-Hsien	R.O.C.	Male	61~70		V	V	V	V	V	V	V	V	V	V	V
Lu,Jin-Zong	R.O.C.	Male	61~70		V	V	V	V	V	V	V	V	V	V	V
Chien,Yih-Long	R.O.C.	Male	51~60		V	V	V	V	V	V	V	V	V	V	V
Chou,Po-Chiao (Independent Director)	R.O.C.	Male	61~70	3~6 years	V	V	V	V	V	V	V	V	V	V	V
Chen,Tsung-Ming (Independent Director)	R.O.C.	Male	71~80	6~9 years	V	V	V	V	V	V	V	V	V	V	V
Lai,Ling-Ming (Independent Director)	R.O.C.	Female	51~60	3~6 years	V	V	V	V	V	V	V	V	V	V	V

Note: All of the Company's seven directors have the aforesaid background, experience and professional expertise. Among the directors, Hsu,Kun-tai , Tsai,Ming-Hsien, Lu,Jin-Zong and Chien,Yih-Long are equipped with IT industry knowledge and international market perspectives. Chou,Po-Chiao has expertise in audit and experience with the financial industry. Chen,Tsung-Ming's deep understanding about the Japan helps the Company to promote business there. As an expert in corporate governance and risk management, Lai,Ling-Ming helps to enhance the decision-making quality of the Company and the board.

2.The management targets and achievements to date of the Company's diversity policy:

- (1) Management targets: At least two directors on the board should be equipped with one of the above capabilities. An individual director should have at least four of the above capabilities.
- (2) Achievements to date: The current board composition has achieved the diversity policy targets.

## II. Board independence

Among the Company's seven directors, three are independent (43%). None of the directors (including independent directors) is the spouse or relative within two degrees to each other. There is no government agency or legal person or its subsidiaries accounting for at least one third of the Company's board seats.

## (II) Information for Presidents, Vice Presidents, Assistant Vice Presidents, Chiefs of Each Department and Branches

April 17, 2022

Title (Note 1)	Nationality	Name	Sex	Date Elected (Assumed)	Shareholding		Shareholding of Spouse & Minor Children		Shareholding Under Other Persons' Names		Education and Experience (Note 2)	Current Other Position Concurrently	Managers Who are Spouses or Within Second-Degrees of Kinship			Remark (Note 3)
					Number of Share	Shareholding %	Number of Share	Shareholding %	Number of Share	Shareholding %			Title	Full name	Relationship	
Vice Chairperson and President	R.O.C.	Tsai,Ming-Hsien	Male	January 1999	10,084,224	1.57%	3,054,593	0.48%	0	0.00%	Executives Program, Graduate School of Business Administration, National Cheng-Chi University Department of Electronic Engineering, National Taipei Institute of Technology Vice Chairman and President, Clevo Co. President, the Buynow Group	Director, Clevo Investment Co., Ltd. Director and President, Kapok Computer Co., Ltd. Chairman, Kapok Computer (Kunshan) Co., Ltd. President, the Buynow Group Chicony Plaza Department Store Vice Chairman Taipei Twin Towers Limited Vice Chairman	-	-	-	-
Executive Vice President	R.O.C.	Chien,Yih-Long	Male	August 2003	1,673,376	0.26%	0	0.00%	0	0.00%	MBA, Phillips University, USA Director, Clevo Co. Executive Vice President, Notebook Business Group, Clevo Co.	President, Kapok Computer (Kunshan) Co., Ltd.	-	-	-	-
Senior Vice President	R.O.C.	Zhang, Fu-Ming	Male	August 2003	640,226	0.10%	0	0.00%	0	0.00%	Department of Computer Science & Information Engineering, National Taiwan University Assistant manager, Chaplet Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	R.O.C.	Wu,Mai	Female	November 2007	118,809	0.02%	0	0.00%	0	0.00%	Department of Business Administration, Chung Yuan Christian University Guang-Nan Enterprise, Igee Technology Vice President of Finance and Accounting Office, Clevo Co.	None	-	-	-	-
Vice President	R.O.C.	Li,Wen-Hua	Male	December 2004	154,538	0.02%	0	0.00%	0	0.00%	Department of Industrial Design, Tatung Institute of Technology Section Head, Yuanxing Technology Corp Director of Planning Office, Buynow Vice President, Buynow Asset Management Center	None	-	-	-	-
Vice President	R.O.C.	Chen,Hsueh-Wen	Male	April 2010	238,040	0.04%	0	0.00%	0	0.00%	Master, School of Management, National Central University Sales Engineer, Jinyi Co., Ltd. Sales Assistant Manager, Xusheng Technology President of Business Division, Synnex Technology International Corporation Vice President, Buynow Malls Operation Center	None	-	-	-	-
Vice President	R.O.C.	Lin, Nan-Sheng	Male	September 2013	95,000	0.01%	0	0.00%	0	0.00%	Master of Computer Science and Information Engineering, Fu Jen Catholic University Formal Engineer, Chaplet Manager, Zhi-Sheng Computer Senior Manager, Elitegroup Computer Senior Assistant Vice President of Sales Center, Clevo Co.	None	-	-	-	-
Vice President	R.O.C.	Lin,Guan-Yen	Male	September 2011	184,338	0.03%	50	0.00%	0	0.00%	Department of Mass Communications, Private Chinese Culture University Engineer, Phihong Technology Senior Assistant Vice President, Kunshan factory, CLEVO CO.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Wang,Feng-Zhu	Female	May 2005	260,311	0.04%	19,324	0.002%	0	0.00%	EMBA, National Cheng-Chi University Section Manager of Sales, Acer Section Manager of Sales, Ligitek Assistant Vice President of Sales Center, Clevo Co.	None	-	-	-	-

Title (Note 1)	Nationality	Name	Sex	Date Elected (Assumed)	Shareholding		Shareholding of Spouse & Minor Children		Shareholding Under Other Persons' Names		Education and Experience (Note 2)	Current Other Position Concurrently	Managers Who are Spouses or Within Second-Degrees of Kinship			Remark (Note 3)
					Number of Share	Shareholding %	Number of Share	Shareholding %	Number of Share	Shareholding %			Title	Full name	Relationship	
Senior Assistant Vice President	R.O.C.	Zhang,Wen-Song	Male	September 2003	251,236	0.04%	0	0.00%	0	0.00%	Department of Electrical Engineering, National Taiwan Ocean College Supervisor, Wei-Lu Assistant Vice President of the Procurement Office, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Chung,Wen-Chin	Male	October 2009	0	0.00%	0	0.00%	0	0.00%	Department of Industrial Engineering, Feng Chia University Director, Quanta Computer Assistant Vice President, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Cheng,Yu-Ming	Male	August 2003	20,000	0.003%	0	0.00%	0	0.00%	Master of Industrial Management, National Taiwan University of Science and Technology Senior Manager, Getac Senior Manager, American Megatrends Incorporated Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Lin,Sheng-Hsiang	Male	November 2007	228,716	0.04%	0	0.00%	0	0.00%	Two-Year of Nanya Industrial and Technological Junior College Deai Enterprise Ltd. Zhanxin Electric Ltd. Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Lin, Liang-Shih	Male	September 2012	50,825	0.01%	0	0.00%	0	0.00%	Department of Electronic Engineering, Lien Ho Industrial and Technological Junior College Senior Engineer, First International Computer Yuan Yi Technology Taiteng Company Jixin Computer Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Chen,Tsung-Chih	Male	October 2009	139,965	0.02%	0	0.00%	0	0.00%	Department of Electrical Engineering, Chinese Culture University Assistant Manager, Hexing Technology Manager, HTC Corporation Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-

Note 1: It should include the general manager, deputy general manager, assistant vice president, supervisors of all departments and divisions, and the information for any position that is equivalent to the general manager, deputy general manager or assistant vice president should also be disclosed.

Note 2: For experience related to the current position, if the person had worked in a CPA accounting firm or its associated company during the aforesaid period, the position title and responsibility of the person shall be stated.

Note 3: Where the general manager and the chairman or person of an equivalent position (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response (such as increasing the number of independent directors and more than half of the directors shall not serve as employees or managers, etc.) thereto.

III. Remuneration to directors, supervisors, President and vice presidents during the most recent year

(I) Remuneration of general directors and independent directors (names are disclosed by the way of gathering the amount together and tie-in with the range of remuneration)

Unit: NTD 1,000

Title	Full name	Remuneration of Directors								Sum of A, B, C and D and as % of net income (Note 10)	
		Base Compensation (A)(Note 2)		Severance Pay (B)		Bonus to Directors (C)(Note 3)		Business Allowances (C)(Note 4)		The Company	All companies in the consolidated financial statements (Note 7)
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)		
Chairman	Hsu,Kun-tai	0	0	0	0	19,800	19,800	600	600	20,400 1.14%	20,400 1.14%
Vice Chairman and President	Tsai,Ming-Hsien										
Director	Lu,Jin-Zong										
Director and Executive Vice President	Chien,Yih-Long	0	0	0	0	2,400	2,400	1,440	1,440	3,840 0.21%	3,840 0.21%
Independent Director	Chou,Po-Chiao										
Independent Director	Chen,Tsung-Ming										
Independent Director	Lai,Ling-Ming										

Title	Full name	Relevant Remuneration Received by Directors Who are Also Employees								Sum of A, B, C, D, E, F and G and as % of net income (Note 10)		Compensation from an invested company other than the Company's subsidiaries or from its parent company (Note 11)
		Salary, Bonuses, and Special Allowances (E) (Note 5)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)(Note 6)				The Company	All companies in the consolidated financial statements (Note 7)	
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements (Note 7)				
						Amount of Cash	Amount of Stock	Amount of Cash	Amount of Stock			
Chairman	Hsu,Kun-tai	12,445	52,553	201	201	13,052	0	13,052	0	46,098 2.57%	86,206 4.80%	None
Vice Chairman and President	Tsai,Ming-Hsien											
Director	Lu,Jin-Zong											
Director and Executive Vice President	Chien,Yih-Long	0	0	0	0	0	0	0	0	3,840 0.21%	3,840 0.21%	None
Independent Director	Chou,Po-Chiao											
Independent Director	Chen,Tsung-Ming											
Independent Director	Lai,Ling-Ming											

1. Please state the policies, systems, standards and structure of the remuneration for independent directors, and describe the relevance for the amount of payment based on factors such as responsibilities, risks, and dedicated time: According to Article 5 of the "Rules for Duties and responsibilities of Independent Directors" of the Company, "the remuneration of independent directors of the Company shall be stipulated in the articles of incorporation upon the resolution in the shareholders' meeting and their remuneration may be different from general directors and supervisors that is in a reasonable range. On the basis of relevant legal procedures, the independent director's remuneration may also be determined as a fixed amount of monthly remuneration and not to join the Company's appropriation of earnings. " Taking into consideration that responsibilities, risks, and dedicated time for independent directors are higher than that for general directors, and thus they should be given a reasonable annual remuneration. However, in addition to the supervisory duty as well as independent and external perspectives, the independent directors are also expected to fulfill the duties of strategic advice and performance enhancement as other board members. Therefore, the independent directors' performance will be taken into consideration for their remuneration as other general directors. The Company's independent directors also serve as members of the Audit Committee, the Remuneration Committee, and the Corporate Governance Committee. Attendance fees are set up for each meeting attended in person, depending on the responsibilities, risks, time commitments assigned by committee charters.

2. Other than the above disclosed, any compensations received by the Company's directors by rendering services (e.g., consulting not in an employee's capacity for the parent, any companies/investees included in the financial statements) during the most recent year: none

\*Relevant information on directors (non-independent) and independent directors to be separately listed



Range Table for Remuneration:

Range of Remuneration Paid to The Company's Directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) I
Under NTD 1,000,000				
NTD 1,000,000 ~ NTD 1,999,999	Chou,Po-Chiao /Chen,Tsung-Ming/Lai,Ling-Ming	Chou,Po-Chiao /Chen,Tsung-Ming/Lai,Ling-Ming	Chou,Po-Chiao /Chen,Tsung-Ming/Lai,Ling-Ming	Chou,Po-Chiao /Chen,Tsung-Ming/Lai,Ling-Ming
NTD 2,000,000 ~ NTD 3,499,999	Lu,Jin-Zong	Lu,Jin-Zong	Lu,Jin-Zong	Lu,Jin-Zong
NTD 3,500,000 ~ NTD 4,999,999	Chien,Yih-Long	Chien,Yih-Long		
NTD 5,000,000 ~ NTD 9,999,999	Hsu,Kun-tai/Tsai,Ming-Hsien	Hsu,Kun-tai/Tsai,Ming-Hsien		
NTD 10,000,000 ~ NTD 14,999,999			Hsu,Kun-tai/Chien,Yih-Long	Hsu,Kun-tai
NTD 15,000,000 ~ NTD 29,999,999			Tsai,Ming-Hsien	Chien,Yih-Long
NTD 30,000,000 ~ NTD 49,999,999				Tsai,Ming-Hsien
NTD 50,000,000 ~ NTD 99,999,999				
Over NTD 100,000,000				
Total	7 Persons	7 Persons	7 Persons	7 Persons

Note 1: The names of the directors shall be listed individually (the corporate shareholders shall list the names of the corporate shareholders and their representatives individually). The general directors and independent directors shall be listed separately and the payment of each item shall be disclosed in an accumulated amount. If a director has also served as a president or vice president, this table and the following table (3-1), or (3-2-1) and (3-2-2) shall be filled in.

Note 2: Refer to the remuneration of the directors (including the directors' salary, position allowances, severance pay, various bonus and rewards etc.) in the most recent year.

Note 3: Fill in the remuneration of the directors which was passed by the board of directors in the most recent year.

Note 4: Refers to the directors' related business allowances (including transportation allowances, special allowances, various allowances, dormitory and equipping car etc.) in the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration.

Note 5: Refers to relevant remuneration received by directors who are also employees (including concurrently serves as a president, vice president, other manager or employee), including salary, position allowances, severance pay, various bonus, rewards, transportation allowances, special allowances, various allowances, dormitory and equipping car etc. in the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration. In addition, the salary expenses which were recognized according to the IFRS 2 "Share-Based Payment," including exercisable employee stock options, new restricted employee shares and participating in subscribing shares for capital increased by cash etc., shall be counted into remuneration.

Note 6: Refers to a director who is also an employee (including concurrently serves as a president, vice president, other manager or employee) received the employee's compensation (including stock and cash) in the most recent year, the amount of such employee's compensation passed by the board of director in the most recent year shall be disclosed. If it is unable to estimate, the amount to which it will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount, and shall fill in Appendix 1-3 additionally.

Note 7: The total remuneration paid by the companies in the consolidated financial statements (including the Company) to the Company's directors shall be disclosed.

Note 8: Upon each item's total remuneration paid by the Company to directors, the names of the directors shall be disclosed in the corresponding range.

Note 9: Each item's total remuneration paid by companies in the consolidated financial statements (including the Company) to the Company's directors shall be disclosed, the names of the directors shall be disclosed in the corresponding range.

Note 10: The net income shall refer to the net income stated in the parent or individual financial statement in the most recent year.

Note 11: a. This column shall specifically fill in the related compensation of directors of the Company which was received from an invested company other than the Company's subsidiary or from its parent company (please fill in "None" if it is not applicable).

b. If the compensation of the Company's director was received from an invested company other than the Company's subsidiary or from its parent company, such compensation received by the Company's directors from an invested company other than the Company's subsidiary or from its parent company shall be combined into the "I" column of the range table of remuneration, and the name of the column shall be renamed as "The parent company and all invested businesses."

c. Remuneration refers to the compensation, remuneration (including employee, director and supervisor) and business allowances received by the Company's directors who serve as directors, supervisors or managers of its parent company or an invested company other than the Company's subsidiary.

\* The concept of income from the remuneration disclosed in this table is different from the Income Tax Act. So the purpose of this table shall be the purpose of disclosure only without using for tax.

(II) Remuneration of Supervisor (The Company has established the Audit Committee in 2018, so this is not applicable.)

(III) Remuneration of Presidents and Vice Presidents (names are disclosed by the way of gathering the amount together and tie-in with the range of remuneration)

Unit: NTD 1,000

Title	Full name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and Special Allowances (C) (Note 3)		Total Employee Remuneration (Note 4)				Sum of A, B, C and D and as % of net income (Note 8)		Compensation from an invested company other than the Company's subsidiaries or from its parent company (Note 9)
		The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company		All companies in the consolidated financial statements (Note 5)		The Company	All companies in the consolidated financial statements (Note 5)	
								Amount of Cash	Amount of Stock	Amount of Cash	Amount of Stock			
Vice Chairman and President	Tsai,Ming-Hsien	15,334	25,187	1,244	1,244	5,286	47,335	23,823	0	23,823	0	45,687 2.54%	97,589 5.43%	None
Executive Vice President	Chien,Yih-Long													
Senior Vice President	Zhang, Fu-Ming													
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu,Mai													
Vice President	Li,Wen-Hua													
Vice President	Chen,Hsueh-Wen													
Vice President	Lin, Nan-Sheng													
Vice President	Lin,Guan-Yen													

Range Table of Remuneration:

Range of Remuneration Paid to the Company's Presidents and Vice President	Name of President and Vice Presidents	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7) E
Under NTD 1,000,000		
NTD 1,000,000 ~ NTD 1,999,999		
NTD 2,000,000 ~ NTD 3,499,999	Wu,Mai/ Lin, Nan-Sheng / Lin,Guan-Yen / Li,Wen-Hua	
NTD 3,500,000 ~ NTD 4,999,999	Chen,Hsueh-Wen	Wu,Mai/ Lin, Nan-Sheng / Lin,Guan-Yen /
NTD 5,000,000 ~ NTD 9,999,999	Zhang, Fu-Ming / Chien,Yih-Long	Li,Wen-Hua/ Chen,Hsueh-Wen
NTD 10,000,000 ~ NTD 14,999,999	Tsai,Ming-Hsien	Zhang, Fu-Ming
NTD 15,000,000 ~ NTD 29,999,999		Chien,Yih-Long
NTD 30,000,000 ~ NTD 49,999,999		Tsai,Ming-Hsien
NTD 50,000,000 ~ NTD 99,999,999		
Over NTD 100,000,000		
Total	8 people	8 people

Note 1: The names of the presidents and vice presidents shall be listed individually and shall disclose each item's amount gathered together. If a director has also served as a president or vice president, this table and the above table (1-1), or (1-2-1) and (1-2-2) shall be filled in.

Note 2: Fill in president's and vice presidents' salary, position allowances, severance pay in the most recent year.

Note 3: Various bonuses, rewards, transportation allowances, special allowances, various allowances, dormitories, and company cars, etc. and other remunerations to General Manager and Vice Presidents during the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration. In addition, the salary expenses which were recognized according to the IFRS 2 "Share-Based Payment," including exercisable employee stock options, new restricted employee shares and participating in subscribing shares for capital increased by cash etc., shall be counted into remuneration.

Note 4: Fill in the amount of the employee's compensation of presidents and vice presidents passed by the board of director in the most recent year. If it is unable to estimate, the amount to which will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount, and shall fill in Appendix 1-3 additionally.

Note 5: Total amounts of all remunerations to the Company's president and vice presidents paid by all companies (including the Company) in the consolidated statements should be disclosed.

Note 6: Upon each item's total remuneration paid by the Company to presidents and vice presidents, the names of the presidents and vice presidents shall be disclosed in the corresponding range.

Note 7: Each item's total remuneration paid by companies in the consolidated financial statements (including the Company) to the Company's presidents and vice presidents shall be disclosed, and the names of the presidents and vice presidents shall be disclosed in the corresponding range.

Note 8: Net income refers to the net income of the parent or individual financial reports during the most recent year.

Note 9: a. This column is for the amount of remunerations to the Company's president and vice presidents paid by non-subsidiary investees or the parent company. (Please indicate "none" if there isn't any.)

b. If the related compensation of the Company's presidents and vice presidents was received from the parent company or an invested company other than the Company's subsidiary, such compensation received by the Company's presidents and vice presidents from the parent company or an invested company other than the Company's subsidiary shall be combined into the "E" column of the range table of remuneration, and the name of column shall be renamed as "The parent company and all invested businesses."

c. Remunerations refer to rewards, compensations (including those paid to employees, directors and supervisors) and business execution expenses, etc. paid to the Company's president and vice presidents as directors, supervisors, or managers for non-subsidiary investees or the parent company.

\* The concept of income from the remuneration disclosed in this table is different from the Income Tax Act. So the purpose of this table shall be the purpose of disclosure only without using for tax.

(IV) According to the Regulations Governing Information to be Published in Annual Reports of Public Companies, it is necessary to disclose the remuneration to the top five highest paid executives in event of the following circumstances: not applicable to the Company

- (1) It is necessary to disclose the remuneration to each director and supervisor in case of net losses in individual or unconsolidated financial statements during the most recent three years. However, this does not apply to the circumstances where net incomes have been reported in individual or unconsolidated financial statements during the most recent year and such net incomes are sufficient to offset accumulated losses.
- (2) If the TWSE/TPEX listed company fell into the bottom range in the corporate governance evaluation during the most recent year or the trading method was changed, suspended or delisted during the most recent year and as of the publication date of the annual report, or was not accepted by the Corporate Governance Evaluation Committee.

## (V) Names of managers who received compensations as employees

Unit: NTD 1,000

December 31, 2021

	Title (Note 1)	Full name (Note 1)	Amount of Stock	Amount of Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	Vice Chairman and President	Tsai,Ming-Hsien	0	31,772	31,772	1.77%
	Executive Vice President	Chien,Yih-Long				
	Senior Vice President	Zhang, Fu-Ming				
	Vice President	Li,Wen-Hua Chen,Hsueh-Wen Wu,Mai Lin,Nan-Sheng Lin,Guan-Yen				
	Senior Assistant Vice President	Zhang,Wen-Song Wang,Feng-Zhu Cheng,Yu-Ming Lin,Sheng-Hsiang Chung,Wen-Chin Lin,Liang-Shih Chen,Tsung-Chih				

Note 1: The individual name and title shall be disclosed, but appropriation of earnings shall be disclosed with the amount gathered.

Note 2: Fill in the amount of the employee's compensation of the managers (including stock and cash) passed by the board of directors in the most recent year. If it is unable to estimate, the amount to which it will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount. Net income refers to the net income in the most recent year. ; for those adopted the IFRS, the net income shall refer to the net income stated in the parent or individual financial statement in the most recent year.

Note 3: According to the Letter No. 0920001301 released by the Institute on March 27, 2003, the applicable scope of the manager is as follows:

(1) president and the equivalent grade, (2) vice president and the equivalent grade, (3) assistant vice president and the equivalent grade, (4) chief of finance department, (5) chief of accounting department, (6) other persons who manage the Company's affairs and have the authority of signature.

Note 4: If the directors, presidents and vice presidents received the employees' compensation (including stock and cash), except for filling in the Appendix 1-2, this table shall be filled in additionally.

(VI) Analysis on the total remuneration paid by the Company and all companies in the consolidated financial statements to the Company's directors, supervisors, President and vice presidents during the most recent two years as a percentage of net incomes in individual or unconsolidated financial statements and explanation of the remuneration policy, standard and combination, the procedure of determining the remuneration and the relation with operating performance and future risks:

1. The ratio of total remuneration paid to directors, supervisors, presidents and vice presidents of the Company in the last two years, by the Company and by all companies included in the consolidated financial statements, to the net income in the parent or individual financial statement is analyzed as follows:

Title	2020				2021			
	Total Remuneration (NTD 1,000)		Ratio to Net Income (%)		Total Remuneration (NTD 1,000)		Ratio to Net Income (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director (Note 1)	9,435	9,435	1.41%	1.41%	24,240	24,240	1.35%	1.35%
Presidents and Vice Presidents (Note 2)	32,651	71,637	4.90%	10.75%	50,535	104,517	2.81%	5.82%
Total	42,086	81,072	6.31%	12.16%	74,775	128,757	4.16%	7.17%
Expense of Share-Based Payment (Note 3)	0	0	0%	0%	0	0	0%	0%

Note 1: The remuneration of directors has deducted the related compensation received by the directors for serving as the Company's internal managers concurrently.

Note 2: The compensation of presidents and vice presidents has deducted the related remuneration received for serving as the Company's directors concurrently.

Note 3: Refers to the compensation cost transferred from treasury shares which is recognized based on No. 39: Accounting Standards for Stock-based Payments in the Republic of China Financial Accounting Standards.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and future risk:
  - (1) The remuneration of directors and managers shall be paid according to Article 23 and Article 26 of the Company's Article of Incorporation. The Company's earnings, based on final accounts of the period, shall be reserved first for payable income tax according to laws and for offsetting of losses from previous years. The remaining amount shall be set aside 10% for legal reserve, and reserve or reverse the special reserve as required by law or the competent authority. The remaining earnings, if any, shall be reserved at 5%-15% as remuneration to the employees (including managers) and no more than 1% as remuneration to directors.
  - (2) The evaluation of the remuneration of the Chairman, vice Chairman, directors and supervisors shall be based on the Company's Regulations Governing the Board Performance assessment.
  - (3) The compensation of the president shall be paid upon Article 29 of the Company Act and Article 24 of the Company's Article of Incorporation.
  - (4) The compensation of vice presidents shall be paid according to the Company's personnel rules, employment rules and performance assessment guidelines and based on overall contribution to the Company.
  - (5) The regular assessment of salaries and remunerations to directors and managers is based on the participation in the Company's operations, the individual's performance, target achievement rates, profit margins, and contributions, as well as indicators in legal compliance and operational risks. The percentage of remunerations is determined after all factors considered, in order to provide reasonable compensations. The review of the remuneration system for directors and managers also involves a constant and timely process of evaluating the operational status and relevant laws, in order to balance between sustainable operations and risk control. The amount of remuneration for directors and managers in 2021 will be reviewed by the Remuneration Committee and submitted to the Board of Directors.

IV. Implementation of Corporate Governance

(I) Information of the Board of Directors Operation

Nine board meetings (A) in 2021. Attendance by directors and supervisors as follows:

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】 (Note 2)	Remark
Chairman	Hsu,Kun-tai	9	0	100%	Reelected on August 26, 2021
Director	Tsai,Ming-Hsien	9	0	100%	Reelected on August 26, 2021
Director	Chien,Yih-Long	9	0	100%	Reelected on August 26, 2021
Director	Lu,Jin-Zong	9	0	100%	Reelected on August 26, 2021
Independent Director	Chou,Po-Chiao	9	0	100%	Reelected on August 26, 2021
Independent Director	Chen,Tsung-Ming	8	0	89%	Reelected on August 26, 2021
Independent Director	Lai,Ling-Ming	9	0	100%	Reelected on August 26, 2021

Other mentionable items:

I. If the operation of the board of director has one of the following circumstances, the dates of the board's meetings, sessions, contents of motion, all independent directors' opinions and the actions taken by the Company for the opinions of independent directors shall be specified:

(I) The circumstances listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee in 2018. Pursuant to Article 14-5 of the Securities and Exchange Act, the Article 14-3 shall not be applicable.

(II) Except for the aforesaid circumstances, any resolution of the board of directors was objected by or subject to a qualified opinion from any of independent directors with record or written statement: No such circumstance in this year.

II. If there are directors' avoidance of motions in conflict of interest, the names of directors, contents of motion, causes for avoidance and voting shall be specified:

◆ Board meeting date: March 26, 2021

Directors: Hsu,Kun-tai , Tsai,Ming-Hsien, Lu,Jin-Zong, Chien,Yih-Long

Proposal: List of candidates nominated and reviewed by the board of directors

Reason for recusal due to conflict of interest:

Chairman Hsu,Kun-tai , Vice Chairman Chairman Tsai,Ming-Hsien, and directors Lu,Jin-Zong and Chien,Yih-Long were interested parties and recused themselves. The independent director Chou,Po-Chiao was elected to chair this proposal.

Voting: Directors Mr. Hsu,Kun-tai , Mr. Tsai,Ming-Hsien, Mr. Lu,Jin-Zong and Mr. Chien,Yih-Long did not participate in voting due to conflict of interest. All the other directors approved the proposal without objection.

◆ Board meeting date: 2021.03.26

Directors: Chou,Po-Chiao , Chen,Tsung-Ming, Lai,Ling-Ming

Proposal: List of candidates nominated and reviewed by the board of directors

Reason for recusal due to conflict of interest:

Independent directors Chou,Po-Chiao , Chen,Tsung-Ming, Lai,Ling-Ming were interested parties and hence recused themselves. They did not participate in the voting.

Voting: Independent directors Mr. Chou,Po-Chiao , Mr. Chen,Tsung-Ming and Ms. Lai,Ling-Ming were interested parties and hence recused themselves from the discussion and the voting.

◆ Board meeting date: 2021.07.05

Directors: Hsu,Kun-tai , Tsai,Ming-Hsien, Lu,Jin-Zong, Chien,Yih-Long

Proposal: Distribution of 2020 remuneration to directors

Reason for recusal due to conflict of interest:

Chairman Hsu,Kun-tai , Vice Chairman Chairman Tsai,Ming-Hsien, and directors Lu,Jin-Zong and Chien,Yih-Long were interested parties and recused themselves. The independent director Chou,Po-Chiao was elected to chair this proposal.

Voting: Directors Mr. Hsu,Kun-tai , Mr. Tsai,Ming-Hsien, Mr. Lu,Jin-Zong and Mr. Chien,Yih-Long did not participate in voting due to conflict of interest. All the other directors approved the proposal without objection.

◆ Board meeting date: 2021.07.05

Directors: Chou,Po-Chiao , Chen,Tsung-Ming, Lai,Ling-Ming

Proposal: Distribution of 2020 remuneration to independent directors

Reason for recusal due to conflict of interest:

Independent directors Chou,Po-Chiao , Chen,Tsung-Ming, Lai,Ling-Ming were interested parties and hence recused themselves. They did not participate in the voting.

Voting: Independent directors Mr. Chou,Po-Chiao , Mr. Chen,Tsung-Ming and Ms. Lai,Ling-Ming were interested parties and hence recused themselves from the discussion and the voting. All the other directors approved the proposal without objection.

- ◆ Board meeting date: 2021.08.04  
Director: Tsai,Ming-Hsien, Chien,Yih-Long  
Proposal: Distribution of 2020 remuneration to employees  
Reason for recusal due to conflict of interest:  
Vice Chairman Tsai,Ming-Hsien and Director Chien,Yih-Long are the Company's managers and hence recused from voting as interested parties.  
Voting: Except the directors (Mr. Tsai,Ming-Hsien and Chien,Yih-Long) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.
- ◆ Board meeting date: 2021.08.26  
Directors: Chou,Po-Chiao , Chen,Tsung-Ming, Lai,Ling-Ming  
Proposal: Recruitment of the Remuneration Committee members  
Reason for recusal due to conflict of interest:  
Independent directors Chou,Po-Chiao , Chen,Tsung-Ming and Ling-Ming La were interested parties and hence recused themselves from the voting.  
Voting: Independent directors Mr. Chou,Po-Chiao , Mr. Chen,Tsung-Ming and Ms. Lai,Ling-Ming were interested parties and hence recused themselves from the discussion and the voting. All the other directors approved the proposal without objection.
- ◆ Board meeting date: 2021.08.26  
Directors: Tsai,Ming-Hsien, Chien,Yih-Long,Chou,Po-Chiao , Chen,Tsung-Ming, Lai,Ling-Ming  
Proposal: Recruitment of the Corporate Governance Committee members  
Reason for recusal due to conflict of interest:  
Directors Tsai,Ming-Hsien and Chien,Yih-Long and independent directors Chou,Po-Chiao , Chen,Tsung-Ming and Ling-Ming La were interested parties and hence recused themselves from the voting.  
Voting: Directors Mr. Tsai,Ming-Hsien and Mr. Chien,Yih-Long and independent directors Mr. Chou,Po-Chiao , Mr. Chen,Tsung-Ming and Ms. Ling-Ming La were interested parties and hence recused themselves from the discussion and the voting. All the other directors approved the proposal without objection.

III. The exchange-listed and OTC-listed companies shall disclose the information on the evaluation period and duration, evaluation scope, evaluation method and evaluation content from the self (or peer) evaluation of the Board of Directors, and the following table for the board's evaluation status shall be filled out.

- (1) To implement the corporate governance and functional committees, the performance assessment for the Board of Directors and functional committees are conducted in accordance with the Company's "Regulations Governing the Board Performance assessment" as follows:

Evaluation period	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conduct once a year	From January 1, 2021 To December 31, 2021	Board of Directors	Internal self-assessment of the Board of Directors	(1) Participating level for the Company's business. (2) Enhancing the decision quality for the board. (3) Composition and structure of the Board of Directors. (4) Directors' election and continuous education. (5) Internal control.
Conduct once a year	From January 1, 2021 To December 31, 2021	Individual board members	Self-assessment by directors	(1) Mastery of company goals and tasks (2) Acknowledgement of directors' duties and responsibilities (3) Participation level for the Company's operations (4) Management and communication of internal relations (5) Professionalism and continued education of directors (6) Internal control
Conduct once a year	From January 1, 2021 To December 31, 2021	Functional Committees (Audit Committee, Remuneration Committee, and Corporate Governance	Internal self-assessment of the functional committee	(1) Participating level for the Company's business. (2) Understanding of the functional committee's responsibilities. (3) Improvement of decision-making quality of functional committees.

- (2) The Company's board, individual directors and functional committees have completed the self-assessments for 2021. The assessment results were presented to the board of directors on March 28, 2022 as shown on pages 38-39.

IV. Targets for the enhancement of the board's functioning during the year and the most recent year and assessment of implementations:

- (I) Establishment of Corporate Governance Committee

To enhance the performance of corporate governance and the image of company operations, the board of directors approved the Corporate Governance Committee Charter on November 12, 2020 and established the Corporate Governance Committee accordingly. Directors Mr. Tsai,Ming-Hsien and Mr. Chien,Yih-Long and independent directors Mr. Chou,Po-Chiao , Mr. Chen,Tsung-Ming and Ms. Ling-Ming La serve as the committee members. The Corporate Governance Committee submitted its 2022 implementation plan for the board's approval on November 12, 2021. The overall functioning was healthy and effective in the contribution to the board's performance.

- (II) Effectiveness assessment of the board and functional committees

The Company has completed the performance review of the board for 2021. The assessment results were presented to

the board of directors on March 28, 2022 in order to enhance the board's effectiveness. The board's overall functioning was robust. The assessment results are available on pages 38-39.

Note 1: If a director or a supervisor is a juridical person, the name of corporate shareholder and its representatives shall be disclosed.

Note 2: (1) If a director or a supervisor resigns before the end of year, the date of resignation shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the board's meeting in the period of service and such person's actual number of attendance in person.

(2) If a director or supervisor is re-elected before the end of year, both new and old directors or supervisors shall be filled in, and the information that such person is an old or a new director or supervisor as well as the date of renewal or re-election shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the board's meeting in the period of service and such person's actual number of attendance in person.

## **(II) Operation of Audit Committee or Supervisors' Participation in the Board of Director:**

### **1. Operation of the Audit Committee:**

The Company's Audit Committee consists of three independent directors. One independent director is elected by all the members as the convener and meeting chair. The operational methods are carried out in accordance with the Company's "Audit Committee Charter." The Audit Committee aims to assist the Board of Directors in the quality and level of integrity when implementing the supervision in regards to accounting, auditing, financial report process and financial control for the Company. The matters for review and resolution include: The company's financial statements, auditing and accounting policies and procedures, internal control systems, transaction of major asset or derivative commodities, raising or issuing securities, and appointment, dismissal or remuneration of CPAs, as well as finance and accounting or the appointment and dismissal of internal audit officers.

#### **2021 Task Highlights**

##### **(1) Review the financial report**

The Company's board of directors has prepared the Company's 2021 Business Report, financial statements and proposal for earnings distributions. The financial statements have been audited by CPA Han-Chi Wu and CPA Eileen Liang with PwC Taiwan and the audit report has been duly issued. The Audit Committee has reviewed the Business Report, the financial statements and the proposal for earnings distributions mentioned above and found non-conformity.

##### **(2) Evaluate the effectiveness of internal control system**

The Audit Committee evaluates the effectiveness of the Company's internal control policies and procedures (including financials, operations, risk management, information security, outsourcing and compliance) and reviews the regular reports (including those on risk management and compliance) by the Company's audit department, CPAs and the management. The online evaluation for the design and implementation of the Company's internal control system should be effective.

##### **(3) Independence and suitability of CPAs**

In accordance with Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and in order to ensure the independence of the CPA firm, the Audit Committee has designed an independence assessment form by referring to Article 47 of the Certified Public Accountant Act and Article 10 of the Norm of Professional Ethics for Certified Public Accountants regarding integrity, objectivity and independence. The purpose is to evaluate the independence, professionalism and suitability of CPAs and examine whether CPAs are related parties or have business or financial interest with the Company. The 14<sup>th</sup> meeting of the first Audit Committee on March 26, 2021 reviewed and approved that both CPA Han-Chi Wu and CPA Eileen Liang with PwC Taiwan meet the independence standard and are qualified to serve as the Company's financial and tax attestation auditors.



Six meetings convened by the Audit Committee (A) in 2021. Attendance by independent directors as follows:

Title	Full name	No. of attendances (B)	By Proxy	Attendance rate (%) (B/A) (Note 1, Note 2)	Remark
Independent Director (Convener of the Audit Committee)	Chou,Po-Chiao	6	0	100%	Reelected on August 26, 2021
Independent Director (Member of the Audit Committee)	Chen,Tsung-Ming	6	0	100%	Reelected on August 26, 2021
Independent Director (Member of the Audit Committee)	Lai,Ling-Ming	5	0	83%	Reelected on August 26, 2021

Other mentionable items:

I. In case of any of the following circumstances with the Audit Committee's functioning, it is necessary to describe the date, session, discussions of the Audit Committee meeting, opposition or reservation from independent directors, or contents of important suggestions, decisions by the Audit Committee and the Company's handling of the Audit Committee's opinions.

(I) The matters listed in Article 14-5 of the Securities and Exchange Act:

Board of Directors	Contents of motion and the follow-up measures	Matters listed by Article 14-5 of the Securities and Exchange Act	Matters not approved by the Audit Committee But agreed and resolved by two third of all directors
2021.03.26 (2 <sup>nd</sup> of 2021)	1. Approved the Company's financial statements and business report for the year of 2020.	V	None
	2. Passed the appropriation of the Company's 2020 earnings.	V	
	3. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."	V	
	4. Passed the amendment of the Company's Audit Committee Charter.	V	
5. Passed the Company's 2020 internal control system, and the statement of internal control system issued upon the result of self-assessment.	V		
Resolution from the Audit Committee: All the attending members agreed on March 26, 2021			
The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.			
2021.05.11 (3 <sup>rd</sup> of 2021)	Approved the Company's finalized account for the first quarter of 2021	V	None
	Resolution from the Audit Committee: All the attending members agreed on May 11, 2021		
	The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.		
2021.08.12 (6 <sup>th</sup> of 2021)	Approved the Company's finalized account for the second quarter of 2021	V	None
	Resolution from the Audit Committee: All the attending members agreed on August 12, 2021		
	The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.		
2021.10.15 (8 <sup>th</sup> of 2021)	Approved the planned disposal of Clevo building and the land	V	None
	Resolution from the Audit Committee: All the attending members agreed on October 15, 2021		
	The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.		
2021.11.12 (9 <sup>th</sup> of 2021)	1. Approved the Company's consolidated financial statements for the third quarter of 2021	V	None
	2. Approved the Company's 2021 audit plan.	V	
	Resolution from the Audit Committee: All the attending members agreed on November 12, 2020		
	The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.		

Please refer to page 28 for all the proposals deliberated by the Audit Committee in 2021

(II) Except for the aforesaid circumstances, any resolution that was not approved by the Audit Committee but approved by two-thirds or more of all directors: None

II. If there is any independent director's avoidance of motion in conflict of interest, such director's name, contents of motion, causes for avoidance and voting should be specified: None.

III. Communications between the independent directors, the chief internal auditor and CPAs (including communications of the significant items for the Company's finance and operation, and its methods and results etc.):

(I) Communications between the independent directors and chief internal auditor:

To intensify the practical communication between the independent directors and the internal audit officer, the Company conducts comprehensive communication on the main internal auditing opinions through the Audit Committee or other meetings at least twice a year.

(II) Communication between independent directors and CPAs:

CPAs report to the independent directors on the Audit Committee at least twice a year regarding the Company's financials, the financials and overall functioning of domestic and overseas subsidiaries, and the inspection on internal control. Full

communication is carried out on whether there are major adjustments to accounting entries and whether regulatory amendments affect accounts.

(3) Please refer to page 29 for the communication among independent directors, internal auditors and CPAs in 2021.

Note1: In case of departure of any independent director before the year end, it is necessary to provide the departure date in "Remark" column. The attendance rate (%) is calculated with the number of Audit Committee meetings and the number of attendances during the tenure.

Note2: In case of an election of the independent directors before the year end, it is necessary to provide the details of both new and incumbent independent directors. Please note in "Remark" column whether an independent director is incumbent, newly elected or reelected and the date of the election. The attendance rate (%) is calculated with the number of Audit Committee meetings and the number of attendances during the tenure.

2. Supervisors' participation in the operation of the Board of Directors: The Company has established the Audit Committee in 2018, so this is not applicable.

**Summary Table of the Meetings Record for the Audit Committee:**

**First Audit Committee**

Attendance of each independent director: V = attendance

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Independent Director			Attendance Without Voting Rights
					Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	
1	14	2021.03.18	2021.03.26	1. Resolutions from the 13th meeting of the 1st Audit Committee of the Company. 2. Report on internal audit of business. 3. Approved the Company's financial statements and business report for the year of 2020. 4. Passed the appropriation of the Company's 2020 earnings. 5. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 6. Passed the amendment of the Company's Audit Committee Charter. 7. Passed the Company's 2020 internal control system, and the statement of internal control system issued upon the result of self-assessment.	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi
2	15	2021.05.03	2021.05.11	1. Resolutions from the 14th meeting of the 1st Audit Committee of the Company. 2. Report on internal audit of business. 3. Approved the Company's finalized account for the first quarter of 2021	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi
3	16	2021.08.04	2021.08.12	1. Implementation of the matters decided by the 15 <sup>th</sup> meeting of the first Audit Committee 2. Report on internal audit of business. 3. Approved the Company's consolidated financial statements for the second quarter of 2021	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan

**Second Audit Committee**

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Independent Director			Attendance Without Voting Rights
					Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	
4	1	2021.08.18	2021.08.26	1. Approved of the appointment of the Audit Committee convener	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi
5	2	2021.10.15	2021.10.15	1. Approved the planned disposal of Clevo building and the land	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi
6	3	2021.11.04	2021.11.12	1. Implementation of the matters decided by the 16 <sup>th</sup> meeting of the first Audit Committee and the 1 <sup>st</sup> and 2 <sup>nd</sup> meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's consolidated financial statements for the third quarter of 2021 4. Approved the Company's 2022 audit plan	V	Absent	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi
7	4	2022.02.16	2022.02.25	1. Approved the Company's planned cooperation with Epoque Corporation 2. Approved the planned leasing of office buildings from the related party Epoque Corporation	V	Absent	V	Wu,Mai Chiu,Shu-juan Lin,Bo-Wei
8	5	2022.03.17	2022.03.28	1. Implementation of the matters decided by the 3 <sup>rd</sup> and 4 <sup>th</sup> meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's finalized account and business report for 2021 4. Approved the Company's distribution of 2021 earnings 5. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 6. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 7. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 8. Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements 9. Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions 10. Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates 11. Approved the 2021 self-assessment results on the Company's internal control system and the issuance of the statement on the internal control system	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi
9	6	2022.05.03	2022.05.11	1. Implementation of the matters decided by the 5 <sup>th</sup> meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's consolidated financial statements for the first quarter of 2022	V	V	V	Wu,Mai Liu,Yi-Mei Lin,Chun-Jun Chiu,Shu-juan

**Summary of meetings among independent directors, internal auditors and CPAs in 2021**

Date	Subject	Communication matters	Independent directors in attendance	Communicati on personnel	Communicate results
<b>2021/3/26</b> <b>The Audit Committee</b>	1. The internal auditors described the implementation from November 2020 to February 2021 according to the audit plan and followed up with the results of suggested improvements until the end of the first quarter. 2. Directors, supervisors and internal auditors shared thoughts and reviewed the reported matters.	1. It is necessary to enhance the oversight of the operational effectiveness and target achievements at the Company’s business units and to continue the advocacy of corporate governance. 2. At the next meeting, the internal auditor Ming-Chih Hung (洪明智) will report about the implementation of audits at the Company’s investees property business and Quality Trust Property Management in China.	Independent Director Chou,Po-Chiao Independent Director Chen,Tsung-Ming Independent Director Lai,Ling-Ming	Auditor Liu,Yi-Mei	All the attending independent directors reviewed, agreed and reported to the board.
	1. The Company’s finalized account and business report for 2021	1. CPAs explained about the report on financial audits and discussed and communicated the questions raised by directors.	Independent Director Chou,Po-Chiao Independent Director Chen,Tsung-Ming Independent Director Lai,Ling-Ming	CPA Wu,Han-Qi	All the attending independent directors reviewed, agreed and reported to the board.
<b>2021/5/11</b> <b>The Audit Committee</b>	1. The Company’s finalized account for the first quarter of 2021	1. CPAs explained about the report on financial audits and discussed and communicated the questions raised by directors.	Independent Director Chou,Po-Chiao Independent Director Chen,Tsung-Ming Independent Director Lai,Ling-Ming	CPA Wu,Han-Qi	All the attending independent directors reviewed, agreed and reported to the board.
<b>2021/8/12</b> <b>The Audit Committee</b>	1. The internal auditors reported on the implementation in accordance with the annual audit plan and followed up on the suggested improvements until the end of July. The originally scheduled in-person reporting on “Inspection on Investment in China – property development and Quality Trust Property Management in 2021” was changed into a document presentation, as the auditors were unable to return to Taiwan due to COVID-19. In-person meetings would be scheduled for communication and discussion. 2. Directors and internal auditors exchanged thoughts on the above reported items.	1. Management units were urged to enhance implementation of internal control and internal audits of investees. 2. Due to COVID-19, the Company implemented staggered and home working for two months according to the government’s policy in 2021. There was no breach of internal control during this short period of time. However, auditors must review beforehand whether the internal control operation needs to be modified for special circumstances to mitigate risks due to this type of sudden events. This is included in the future planning for internal audit adjustments.	Independent Director Chou,Po-Chiao Independent Director Chen,Tsung-Ming Independent Director Lai,Ling-Ming	Auditor Liu,Yi-Mei	All the attending independent directors reviewed, agreed and reported to the board.
<b>2021/11/12</b> <b>The Audit Committee</b>	1. Internal auditors presented the implementation of the audit plan and follow-ups of improvement measures until the end of the second quarter. 2. Submission of 2022 audit plan 3. Directors and internal auditors exchanged thoughts on the above reported items.	1. The audit unit submitted the 2022 audit plan for the Company. The audit items were determined on the basis of the risk assessments and considerations conducted in accordance with internal audit standards required by official letters from the competent authority. In addition to the annual audit highlights as regulated, the plan is to enhance the advocacy of compliance with newly promulgated laws, the oversight and management of investees and the inspection on the operating efficacy and efficiency. 2. 2022 audit plan to be submitted to the board of directors for approval and reporting scheduled for the end of December	Independent Director Chou,Po-Chiao Independent Director Lai,Ling-Ming	Auditor Liu,Yi-Mei	All the attending independent directors reviewed, agreed and reported to the board.
	1. The Company’s finalized account for the third quarter of 2021	1. CPAs explained about the report on financial audits and discussed and communicated the questions raised by directors.	Independent Director Chou,Po-Chiao Independent Director Lai,Ling-Ming	CPA Wu,Han-Qi	All the attending independent directors reviewed, agreed and reported to the board.

(III) Corporate Governance Implementation Status and the difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The board of the Company has discussed and approved the “Corporate Governance Best Practice Principles” of the Company on March 27, 2015 in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.” To keep up with the international trend in corporate governance and to respond the development of topical social and global issues during recent years, these principles were amended four times in 2015-2022 by the board of directors and disclosed via the Market Observation Post System and the Company’s website.	The Company has currently executed according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” without any difference.
II. The Company’s shareholding structure & shareholders’ rights/benefits (I) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (II) Does the Company possess the list of its major shareholders who control the Company in reality as well as the ultimate owners of those shares?  (III) Does the Company establish and execute the risk control/management and firewall system with its affiliates? (IV) Does the company establish internal rules against the Company's insiders trading of the securities with undisclosed information in the market ?	V  V  V  V		(I) The Company has designated a professional agency to handle the stock affairs and has established the spokesperson, deputy spokesperson and dedicated persons to take charge of the shareholders' suggestions or disputes etc.  (II) Most of the Company’s major shareholders are the management team and the shareholders with long-term shareholding. The stock office will obtain the list of the shareholders from the Taiwan Depository & Clearing Corporation through the stock agency designated by the Company within next two days from book closure date for the shareholders' meeting and dividend distribution upon the regulations, then will summarize the shareholding information of the major shareholders immediately and report to the senior management team. The Company can grasp the list of the major shareholders at any time to assure the stability of the management rights.  (III) Each affiliate operates independently, and establishes various rules according to the regulations of the competent authority. The transactions with affiliates shall be conducted according to the relevant rules.  (IV) To empower the Company’s directors and managers to comply with the ethical standards and allow the Company’s stakeholders to better understand the Company’s ethical standards, the Company has established the "Codes of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" to follow up. The Company has established the "Procedures for Handling Material Inside Information and Preventing Insider Trading" to prevent the occurrence of insider trading.	The Company has currently executed according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” without any difference.
III. Composition and Responsibilities of the Board of Director (I) Does the Board of Directors formulate a board diversity policy, management target and implement accordingly?	V		(I) In accordance with Article 20 of “Corporate Governance Best Practice Principles,” the Company has stipulated a diverse policy in regards to the	The Company has currently executed according to “Corporate Governance Best

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee pursuant to the laws?	V		<p>composition of the Board of Directors as follows: The diverse composition of the Board of Directors should be considered and appropriate and diversified policies with regard to its business operations, operational type and development requirement shall be stipulated, which should include but not limited to the standards of the following two major aspects:</p> <p>I. Basic criteria and value: gender, age, nationality and culture. II. Professional knowhow and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and experience in the industry, etc. In general, the members of the Board of Directors should possess the knowledge, skills, and qualities required for the implementation of their job duties. The Board of Directors should have the following capabilities in order to achieve the goal of corporate governance: (I) Capability for judging the business. (II) Capability for analyzing accounting and finance. (III) Capability for business management. (IV) Capability for dealing with risks. (V) Industrial knowledge. (VI) International market viewpoint. (VII) Capability of leadership. (VIII) Capability of decision-making. Please refer to page 13-14 of the annual report for implementation of board diversity.</p> <p>(II) The Company has established the Remuneration Committee and the Audit Committee according to laws. To enhance the performance of corporate governance and the image of company operations, the board of directors also approved the Corporate Governance Committee Charter on November 12, 2020 and established the Corporate Governance Committee accordingly. Directors Mr. Tsai, Ming-Hsien and Mr. Chien, Yih-Long and independent directors Mr. Chou, Po-Chiao, Mr. Chen, Tsung-Ming and Ms. Ling-Ming La serve as the committee members. The Corporate Governance Committee submitted its 2022 implementation plan for the board's approval on November 12, 2021. Please refer to page 37 for the committee's implementation. (Note 1) To strengthen the organizational structure of information security, the Company established the Information Security Committee in December 2020. Regular meetings are convened once every six months and ad-hoc cross-function meetings are organized in response to information security events. The purpose is to understand, prevent and process all types of information security issues.</p>	Practice Principles for TWSE/TPEX Listed Companies" without any difference.

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(III) Does the Company establish the "Regulations Governing the Board Performance assessment" and its methods of evaluation, and conduct the regular performance assessment annually and report the results of the performance assessment to the Board of Directors for the reference of individual directors' salary and renewal nomination?	V		<p>The Information Security Committee convenes meetings in June and December each year.</p> <p>The meeting minutes of the Information Security Committee are presented to President and the Board of Directors for approval and decision-making on relevant issues.</p> <p>(III) To fulfill corporate governance, the Company referred to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and established its Regulations Governing the Board Performance Assessment with the resolution by the Board of Directors on November 14, 2017. Annual performance assessments are conducted internally. External and independent professional organizations or experts and scholars are commissioned every three years to carry out evaluations. The assessment methods, standard and results are disclosed at the Company's website. The Board of Directors, individual directors and functional committees conducted self-assessments in 2021. The assessments covered five aspects. The results were presented to the Board of Directors on March 28, 2022. Please refer to pages 38-39 for the assessment details (Note 2). The results of the annual board performance assessment will be reported to the Board of Directors and Remuneration Committee as a reference for individual directors' remuneration and nomination for renewal.</p>	
(IV) Does the Company evaluate the independence of the CPAs regularly?	V		<p>(IV) The Company has appointed the PWC Taiwan as the certificated accounting firm, who has its professionalism and independence for its certification. The Company also changes the CPAs regularly according to laws to strengthen its independence.</p> <p>The Company's Audit Committee reviews and approves the independence of external accountants each year before submitting the findings to the board for discussion. The assessment covers whether there is breach of No. 10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China and Article 47 of the Certified Public Accountant Act. It seeks to confirm whether the external accountants are involved in financial benefits or business relations other than the auditing of the Company's financial statements and tax filings. The assessment also inspects whether the external accountants have conflict of interest by serving as the Company's directors, managers or shareholders or receiving salaries from the</p>	

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>Company. The Company's assessment confirmed the independence of external accountants.</p> <p>The Company's Board of Directors conducts periodical assessments (one per annum) on the suitability and independence of CPAs. (Please refer to page 40 for the assessment standards) (Note 3). The assessment result was reviewed and approved by the Board of Directors on March 28, 2022, to ensure the capacity and independence of CPAs.</p>	
IV. Does the TWSE/TPEX Company have qualified and suitable number of corporate governance personnel and appointed corporate governance officers to take charge of the corporate governance related affairs (including but not limited to providing the information required by the directors and supervisors to perform their duties, assisting directors and supervisors to be in compliance with laws, conducting the board and shareholders' meeting related matters according to laws, and preparing the meeting minutes for the board and the shareholders' meeting etc.)?	V		<p>The Company has established the corporate governance taskforce so that Finance Department can take charge of corporate governance related matters. On March 27, 2019 the Board of Directors resolved to appoint Wu, Mai, Vice President of Financial Management Center, to serve as Officer of Corporate Governance. She has more than three years of management experience with public companies in law, finance or shareholder services and has selected and completed 12 hours of training relevant to tasks and responsibilities required by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies. Please refer to page 41 for the primary responsibilities, functioning and continuing education in 2021. (Note 4)</p>	<p>The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.</p>
V. Does the Company establish a communication channel and build a dedicated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		<p>Both the Company and the stakeholders have a dedicated department to take charge of collecting the relevant information and communicate to each other. We have constructed a website at <a href="https://www.clevo.com.tw/">https://www.clevo.com.tw/</a> and established the investor relations and stakeholders section. The contents include company news and activities, corporate governance (such as practical guidelines on corporate social responsibilities), financial/shareholder service information, and company contact details. Dedicated personnel from relevant departments respond to pertinent issues.</p>	<p>The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.</p>
VI. Does the Company appoint a professional stock agency to deal with shareholders' meeting affairs?	V		<p>The Company's stock affairs have appointed a professional stock agency, Transfer Agency Department of CTBC Bank, to handle the Company's shareholders' meeting affairs.</p>	<p>The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.</p>
VII. Information Disclosure (I) Does the Company have a corporate website to disclose the financial activities and the information of corporate governance?	V	(I)	<p>We have constructed a website at <a href="https://www.clevo.com.tw/">https://www.clevo.com.tw/</a> and established the investor relations section. The contents include company news and activities, corporate governance information, the Company's</p>	<p>The Company has currently executed according to "Corporate Governance Best Practice Principles for</p>



Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
<p>(II) Does the Company adopt other ways of information disclosure (e.g. building an English website, appointing a dedicated person to collect and disclose the Company's information, implementing the spokesperson system and putting the course of investor conferences on the Company's website etc.)?</p> <p>(III) Does the Company announce and declare 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 early within the prescribed period?</p>	V	V	<p>management guidelines and financial/ shareholder service information.</p> <p>(II) In addition to the spokesperson and the deputy spokesperson system, the Company has designated personnel to collect and disclose company information. Disclosure of financial and business information to the investing public is made via the Market Observation Post System, analyst meetings, the Company's website, magazines and newspapers. Please visit our website at <a href="https://www.clevo.com.tw/">https://www.clevo.com.tw/</a>.</p> <p>(III) The Company had announced and declared the annual financial report (within three months) and the first, second and third quarter financial reports (within 45 days) as well as the monthly operating report (before the 10th of each month) before the deadline specified in Article 36 of the Securities and Exchange Act.</p> <p>Due to the fact that the group has merged more than one hundred of individual business entities, its annual financial report cannot be announced and declared within two months after the end of the fiscal year. The 2021 financial statements were published and filed on March 28, 2022.</p>	TWSE/TPEX Listed Companies" without any difference.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights/benefits, employee caring, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and purchasing liabilities insurance for directors and supervisors)?	V		<p>(I) Employee Rights/Benefits: Upon the governmental laws and the Company's human resources management rules, the Company provides various labors' basic conditions, including working hours mechanism and comprehensive leaves system, and also renders a stable and safe working environment, as well as reserves the basic welfares of labor insurance, health insurance and pension fund. Besides, the employees also possess the regular health examination, group insurance and complete employee retirement measures.</p> <p>(II) Employee Care: The Company has established the Occupational Safety &amp; Health Committee according to laws. The committee formulates the safety and health rules in order to ensure the safety and health of employees. The Occupational Safety &amp; Health Policy has been put in place. Regular seminars and workshops are organized and medical doctors are invited to provide consultations. A diversity of channels are available for employees to express opinions and seek advice. This creates a good sense of participation and the two-day smooth communication.</p> <p>(III) Investor Relations: The Company spares no effort in the protection of shareholders' interest. We treat all shareholders equally. Material information on financials, businesses and change of insiders' holdings is immediately published according to relevant requirements via the Market</p>	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>Observation Post System.</p> <p>(IV) Suppliers Relations: In addition to the establishment of the "Codes of Ethical Conduct," the new suppliers of the Company shall possess good goodwill and meet the Company's ethical demand upon the requirement of the internal control system. Before trading, it is required to sign the "Supplier Honesty Commitment" to forbid other beneficial acts other than normal transactions. The Company expects to set a good example to lead more of our supply partners to jointly enhance the awareness of environmental protection and aptly fulfill the corporate social responsibilities.</p> <p>(V) Rights of Stakeholder: The Company complies with the "Corporate Governance Best-Practice Principles" to implement and set up a dedicated section on its website for stakeholders.</p> <p>(VI) Implementation of Risk Management Policies and Risk Measurement Standards: Through the audit office and internal control system, the Company has appropriately identified, assessed and reduced various business risks. In addition to controlling the day-to-day operational procedure, the audit office and management team always supervise the risk control's implementation. Besides, the Company has established the internal and external reporting system to reduce the unfavorable influences on the Company's business.</p> <p>(VII) Implementation of Customer Policies: The Company has established the appropriate customer policies and business targets, and will timely adjust the business strategies to achieve the targets.</p> <p>(VIII) Purchase of liability insurance for directors: We have purchased relevant liability insurance coverage for directors up to May 15, 2022. The sum insured, coverage and premiums of the liability insurance for directors have been reported to the Board of Directors. The new insurance policy for the period from May 15, 2022 to May 15, 2023 has been established and will be presented to the Board of Directors.</p> <p>(IX) Board meeting attendance by directors: Board meetings were convened as scheduled. All directors were actively involved. The overall attendance of all directors (including independent directors) in 2021 was 98.4%. The Company has filed online the attendance of directors on a timely basis. Please refer to page 23 for the attendance status.</p> <p>(X) Trainings of the Directors and Managers: The Company's directors and independent directors have considerably understood the directors' power and functions, and they have a plentiful</p>	

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>background of education and experiences as well as understanding of the industry to sufficiently undertake the directors' responsibilities. The Company's directors and independent directors participate in external training classes on corporate governance, securities laws and taxations each year. In addition, the Company has dedicated personnel for the collation of relevant legal and regulatory information and such information is summarized and submitted to the directors and the Audit Committee. Please refer to page 42 for the continuing education of the Company's directors and managers in 2021 (Note 5).</p> <p>The Company discloses the board meeting attendance of directors and independent directors and the ongoing education of directors via the Market Observation Post System as required at <a href="https://mops.twse.com.tw/mops/web/index">https://mops.twse.com.tw/mops/web/index</a>.</p>	
<p>IX. For the result of the corporate governance evaluation announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, please explain the circumstances of the improvement; and if the items have not yet been improved, please provide those items that shall be strengthened first and its measures.</p> <p>(1) The Company's total score in the 2021 corporate governance evaluation: 93.51, an improvement by 3 points from the previous year. Ranking among the top 6%-20% among TWSE-listed companies for two consecutive years. The improvements in 2021 are as follows:</p> <ol style="list-style-type: none"> <li>1. A clear dividend policy has been disclosed in the annual report.</li> <li>2. The link between the performance assessment and the remuneration of directors and managers has been disclosed in the annual report.</li> </ol> <p>(2) Improvements in the non-conformity identified in the 2021 corporate governance evaluation:</p> <ol style="list-style-type: none"> <li>1. The Company has been issuing major announcements in English at the same time starting in 2022.</li> </ol> <p>(3) Priority improvements and measures proposed to address outstanding issues:</p> <ol style="list-style-type: none"> <li>1. The Board of Directors intends to formulate risk management policies and procedures, and to disclose the scope, organizational structure and functioning of risk management.</li> <li>2. Planning of the Company's intellectual property management system. Certification from the Taiwan Intellectual Property Management System (TIPS) expected in June 2022.</li> </ol>				

Note: Regardless of ticking "Yes" or "No," the implementation status shall be explained in the column of the abstract illustration.

**Note 1: Implementation by the Corporate Governance Committee:**

I. To enhance its corporate governance and the board's effectiveness, the Company has established the Corporate Governance Committee according to Article 27-3 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. As resolved by the Board of Directors, the Corporate Governance Committee consists of five directors, than half being independent directors. One (independent) director is elected by all the members as the convener and meeting chair. According to the Corporate Governance Committee Charter, the Corporate Governance Committee has the following responsibilities:

- (1) Formulation of the Company's Corporate Governance Best-Practice Principles
- (2) Planning and regular review of continuing education for directors
- (3) Planning of corporate governance directions, annual implementation plans and the progress
- (4) Review, suggestion and follow-up of the effectiveness of the corporate governance system, annual implementation plans and the progress
- (5) Review, suggestion and follow-up of the Company's information disclosure and implementation status
- (6) Other matters according to the charters, the Company's internal regulations, resolutions by the Board of Directors or instructions from Chairman

II. Members of the Corporate Governance Committee:

Title	Full name	Resume
Independent Director Convener of the Corporate Governance Committee	Chou,Po-Chiao	The Company's independent director Former executive director and President of First Commercial Bank
Vice Chairman (Member of the Corporate Governance Committee)	Tsai,Ming-Hsien	The Company's Vice Chairman and President
Director (Member of the Corporate Governance Committee)	Chien,Yih-Long	Executive Vice President, Notebook Business Group, the Company
Independent Director (Member of the Corporate Governance Committee)	Chen,Tsung-Ming	Chairman, Betterment Co., Ltd. The Company's independent director
Independent Director (Member of the Corporate Governance Committee)	Lai,Ling-Ming	Chairman, Toro Biotech Co., Ltd. The Company's independent director

Note: Among the committee members, the convener and independent director Chou,Po-Chiao has expertise in audit and experience with the financial industry. Directors Tsai,Ming-Hsien, Chien,Yih-Long and Chen,Tsung-Ming have management expertise. The independent director Lai,Ling-Ming is equipped with expertise in corporate governance and management. Committee members possess the relevant professionalism to assist the strengthening of corporate governance and enhancement of the board's effectiveness.

III. In 2021 and as of the publication date of this annual report, the Corporate Governance Committee convened three meetings. The attendances and the resolutions are as follows:

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director		Independent Director			Attendance Without Voting Rights
					Tsai,Ming-Hsien	Chien,Yih-Long	Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	
1	2	2021.02.09	2021.02.19	1. Reported on the implementation of corporate governance in 2020. 2. Approved the committee's 2021 implementation plan	√	√	√	√	√	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan
2	1	2021.08.18	2021.08.26	1. Approved the appointment of the Corporate Governance Committee's convener	√	√	√	√	√	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan
3	2	2021.11.04	2021.11.12	1. Report on the Company's 2022 audit plan 2. Approved the committee's 2021 implementation plan	√	√	√	Absent	√	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan
4	1	2022.03.17	2022.03.28	1. Reported on the implementation of corporate governance in 2021. 2. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 3. Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements 4. Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions 5. Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates 6. Approved the 2021 self-assessment results on the Company's internal control system and the issuance of the statement on the internal control system	√	√	√	√	√	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan

## Note 2: 2021 performance assessments of the Board of Directors and functional committees

### CLEVO CO.

#### 2021 self-assessments of the Board of Directors and functional committees and the results

According to the Company's "Regulations Governing the Board Performance Assessment," the Company's Board of Directors and functional committees should conduct internal performance assessment at least once a year; an external professional and independent institution or a team of experts and scholars will be commissioned to conduct assessment at least once every three years. The 2021 internal performance assessments and results are as follows:

#### I. Assessment scope and method:

Assessment scope: performance assessments on the board, individual directors and functional committees

Assessment method: self-assessments by the board, individual directors and functional committees. Each performance indicator is divided into five levels: Excellent (5), Good (4), Medium (3), Poor (2), Extremely Poor (1).

#### II. Assessment procedures

The members of the board and functional committees under the board make self-assessments, with Self-Assessment Questionnaire on Board's Performance, Self-Assessment Questionnaire on Director's Performance, and Self-Assessment Questionnaire on Functional Committee's Performance.

#### III. Assessment results:

##### (1) Self-assessment on the operating performance of the Board of Directors:

The performance assessment of the Board of Directors covers five aspects with 45 indicators. The assessment results were Excellent (5) for 42 indicators and Good (4) for three indicator. The average attendance of directors in 2021 was 98.4%. All the directors have a clear understanding of the Company and the industries where the Company operates. They assessed and supervised the Company's operation and corporate governance and interacted well with management by fully utilizing their expertise. The average performance score of the Board of Directors in 2021 was 4.95 (out of the perfect score of 5). The Board of Directors functioned well in general, in line with corporate governance requirements.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	12 Items	4.92
B. Enhancing the decision quality for the board	12 Items	5.00
C. Composition and structure of the Board of Directors	7	5.00
D. Directors' election and continuous education	7	4.86
E. Internal control	7	5.00

##### (2) Self-assessment by individual directors:

The assessment of board members covers six aspects and 23 indicators. Seven directors currently in service filled in the self-assessment questionnaires. All the seven questionnaires were recovered. The scores were averaged between Excellent (5 points) and Good (4 points). This indicates that directors viewed positively the performance of each indicator. To further strengthen the functions of the Board of Directors, the directors provided the opinions and suggestions as follows:

Director Chien, Yih-Long: All directors have been doing their jobs.

Independent director Lai, Ling-Ming: More discussions can be conducted regarding sustainable development of the Company. The communication among directors has been efficient and conducive to experience sharing.

Six aspects for self-assessments	Assessment subjects	Assessment results
A. Mastery of company goals and tasks	3	5.00
B. Acknowledgement of directors' duties and responsibilities	3	5.00
C. Participation level for the Company's operations	8	4.88
D. Management and communication of internal relations	3	5.00
E. Professionalism and continued education of directors	3	5.00
F. Internal control	3	5.00

##### (3) Self-assessment on the operating performance of the Audit Committee:

The performance assessment of the Audit Committee covers five aspects with 22 indicators. The assessment results

were Excellent (5) for 21 indicators and Good (4) for one indicator. The average score in 2021 was 4.95 (out of a total score of 5.0). This indicates the healthy functioning of the Audit Committee, in line with corporate government requirements and beneficial to the purposes of the Board of Directors.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	4	4.75
B. Understanding of the functional committee's responsibilities.	5	5.00
C. Improvement of decision-making quality of functional committees.	7	5.00
D. Composition of the functional committee and selection of members	3	5.00
E. Internal control	3	5.00

**(4) Self-assessment on the operating performance of the Remuneration Committee:**

The performance assessment of the Remuneration Committee covers four aspects with 19 indicators. The assessment results were Excellent (5) for 18 indicators and Good (4) for one indicator. The average score in 2021 was 4.95 (out of a total score of 5.0). This indicates the healthy functioning of the Remuneration Committee, in line with corporate government requirements and beneficial to the purposes of the Board of Directors.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	4	5.00
B. Understanding of the functional committee's responsibilities.	5	4.80
C. Improvement of decision-making quality of functional committees.	7	5.00
D. Composition of the functional committee and selection of members	3	5.00

**(5) Self-assessment on the operating performance of the Corporate Governance Committee:**

The performance assessment of the Corporate Governance Committee covers four aspects with 18 indicators. The assessment results were Excellent (5) for 17 indicators and Good (4) for one indicator. The average score in 2021 was 4.94 (out of a total score of 5.0). This indicates the healthy functioning of the Corporate Governance Committee, in line with corporate government requirements and beneficial to the purposes of the Board of Directors.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	4	4.75
B. Understanding of the functional committee's responsibilities.	5	5.00
C. Improvement of decision-making quality of functional committees.	7	5.00
D. Composition of the functional committee and selection of members	3	5.00

IV. The Company's Board of Directors and functional committees under the board performed well in 2021. They properly assessed and supervised the Company operations and corporate governance. All directors kept good attendance and fully exercised their expertise. To enhance the board's functions and extend the board's policies, an initiative on the board's success planning was started under the abovementioned aspect of "directors' election and continuous education". There will be continued efforts to augment the professional capabilities of board members with a diversity of curricula. The board incorporated the suggestions from individual directors in order to formulate improvement measures or relevant plans.

V. The aforesaid performance assessments of the Board of Directors, individual directors and functional committees for 2021 were presented to the Board of Directors on March 28, 2021.

**Note 3: Assessment items on the suitability and independence of CPAs**

Evaluation Item	Yes	No
1. Not an employee of the Company or its related party.	V	
2. Not a director or supervisor of the Company or its affiliates (however, it is not applicable in case the person is an independent director of the Company, its parent company, or subsidiaries in which the Company holds more than 50% of the voting shares directly or indirectly).	V	
3. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.	V	
4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	V	
5. Not having one of the circumstances stated in Article 30 of the Company Law.	V	
6. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	V	
7. Not a person who should not serve as the Company's director, manager or a position that has significant influences on the auditing project within the latest two years.	V	
8. Not a person who should not involve in the Company's management functions for making decisions.	V	

**Note 4: Implementation status of the corporate governance officer:**

The Company has established a corporate governance taskforce so that Finance Department can take charge of corporate governance related matters. On March 27, 2019 the board resolved to appoint Wu,Mai, Vice President of Financial Management Center, to serve as Officer of Corporate Governance. Vice President Wu,Mai has more than three years of management experience with public companies in law, finance or shareholder services and has selected and completed training relevant to jobs and responsibilities required by listing rules for continuing education program of directors and supervisors. Her main duties and responsibilities and continued education are detailed below:

**I. Main responsibilities:**

1. Conduct matters in regard to the Board of Directors meeting, functional committees and shareholders' meetings in accordance with laws.
2. Responsible for the meeting minutes and meeting related affairs for the Board of Directors meeting, functional committees and shareholders' meeting.
3. Assist directors and managerial officers for matters regarding onboard and continuous training, and provide them with the required information and materials.
4. Assist directors and managerial officers to be in compliance with laws and regulations.
5. Assist in the implementation of job responsibilities of the Board of Directors or board members that are stipulated in laws or the Company's articles of incorporation.

**II. 2021 implementations**

1. Assisted in the independent directors and general directors to perform their duties, provided the necessary information as well as arranged the trainings for the directors:
  - (1) Provide the members of the Board of Directors with the information regarding the amendment and development of laws and regulations related to corporate governance.
  - (2) Provide organized and sufficient meeting materials for meeting members, as well as provide them with suitable and timely information and administrative assistance.
  - (3) Arrange meetings for independent directors and certified accountants to help the directors understand the Company's financial status; assist in arranging meetings for directors (including independent directors) and internal audit officers, if necessary, to discuss matters regarding internal control.
2. Assist in meeting procedures for the Board of Directors meeting and shareholders' meeting as well as resolution for legal compliance:
  - (1) Report to the Board of Directors, independent directors, the Audit Committee and the Corporate Governance Committee regarding the functioning of corporate governance issues.
  - (2) Verify that the Company's shareholders' meeting and board meeting are in compliance with relevant laws, regulations, and corporate governance rules.
  - (3) Assist and remind the directors of the laws and regulations to be aware of during the business implementation or making a formal resolution in the Board of Directors meeting.
  - (4) Inspect the post-meeting release of major information on key decisions by the Board of Directors to ensure the legality and accuracy of the contents and to protect the information symmetry for investors.
3. Organize and summarize the discussion issues for the board meeting and send out the meeting notice and required materials seven days prior to the meeting. If the discussion case is required to be avoided, a notice shall be given in advance and the meeting minutes of the board meeting shall be completed within 20 days after the meeting.
4. Supervise the registration date of the shareholders' meeting in advance, the preparation of meeting notices, the meeting manual, the meeting minutes within the statutory deadline, and conduct the matters and registration regarding amendment to the articles of incorporation.

**III. Continuing education in 2021**

In adherence to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, Vice President Wu,Mai completed 15 hours of training in 2021 in relation to job functions and met the statutory requirements for 12 hours per year. Her continuing education is as follows:

Date of Education		Host Institution	Name of Course	Hours of Training
From	To			
2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
2021/12/10	2021/12/10	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges of the Next Decade	3
2021/12/22	2021/12/22	Taiwan Corporate Governance Association	17 <sup>th</sup> (2021) Corporate Governance Summit Forum: ESG Realization and Sustainable Development	6



**Note 5: The directors' and supervisors' trainings as well as managers' participation in the education and trainings of corporate governance are as follows:**

Title	Full name	Date of Education		Host Institution	Name of Course	Hours of Training
		From	To			
Chairman	Hsu,Kun-tai	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
Vice Chairman and President	Tsai,Ming-Hsien	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
Director	Lu,Jin-Zong	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
Director and Executive Vice President	Chien,Yih-Long	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
Independent Director	Chou,Po-Chiao	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
		2021/12/07	2021/12/07	Taiwan Stock Exchange	2021 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Chen,Tsung-Ming	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
Independent Director	Lai,Ling-Ming	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu,Mai	2021/10/15	2021/10/15	HR Department of CLEVO CO.	Most Updated Economic Analysis and Financial Situations	2
		2021/11/12	2021/11/12	Corporate Organization Association	Business and M&A Strategy for Taiwanese Companies in the Global Political and Economic Contexts	4
		2021/12/10	2021/12/10	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges of the Next Decade	3
		2021/12/22	2021/12/22	Taiwan Corporate Governance Association	17 <sup>th</sup> (2021) Corporate Governance Summit Forum: ESG Realization and Sustainable Development	6

(IV) If the Remuneration Committee or the Nomination Committee is in place, it is necessary to disclose the composition, responsibility and functioning:

1. Information for Members of Remuneration Committee:

Date:2021/12/31

Criteria		Professional qualifications and experiences (Note 2)	Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Position (note 1)	Full name			
Independent Director (Remuneration Committee convener)	Chou,Po-Chiao	Work experience of over five years in business, law, finance or banking Work experience: Executive Director and President of First Commercial Bank; Director and Vice President of First Financial Holding Co., Ltd. page 12)	(Note 4)	1
Independent Director (Remuneration Committee member)	Chen,Tsung- Ming	Work experience of over five years in business, law, finance or banking Work experience: Chairman of Betterment Co., Ltd.; Director of Zippy Materials Science Inc. ( page 12)	(Note 4)	None
Independent Director (Remuneration Committee member)	Lai,Ling-Ming	Work experience of over five years in business, law, finance or banking Work experience: General Manager, Chinese Business, AON RISK SERVICES AUSTRALIA (SYDNEY); Director, AON RISK SERVICES HK ; Chairman and CEO of AON RISK SERVICES TW (page 12)	(Note 4)	None

Note 1: Please provide the relevant work tenure in years, professional qualifications, experience and independence of each member of the Remuneration Committee. For independent directors, the reference can be made to the table on page OO for the data of directors and supervisors. Please note whether the member is an independent director or the convener in the column "Position".

Note 2: Professional qualifications and experience: Professional qualifications and experience of each member of the Remuneration Committee.

Note 3: Compliance of independence: Please describe the compliance of independence for the Remuneration Committee members. This includes but not limits to whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or its affiliates; the number of shares and the percentage of shareholdings owned by the director, the director's spouse or any relative within two degrees (or under other people's names); whether the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the enterprises with specific relations with the Company (in reference to the fifth to the eighth paragraphs of Article 6-1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); whether any business, legal, financial or accounting services were provided to the Company and its affiliates during the most recent two years and if so, the amount of compensations obtained.

Note 4: Compliance of independence is as follows:

- (1) None of the director, the director's spouse or any relative within two degrees serves as a director, supervisor or employee of the Company or affiliated enterprises.
- (2) None of the director, the director's spouse or any relative within two degrees held the Company's shares as of April 17, 2022.
- (3) Not serving as a director, supervisor or employee of any enterprise with specific relations with the Company.
- (4) No rendering of services in business, law, finance or accounting to the Company or its affiliated enterprises during the most recent two years and hence no amount obtained as compensations.

2. Responsibilities of Remuneration Committee

I. It shall be based on the care of a prudent administrator to faithfully fulfill the following duties, and shall submit its suggestions to the board of director for discussion:

- (I) Regularly review the "Remuneration Committee Charter" and provide the recommendation of the amendment.
- (II) Establish and regularly review the annual and long-term performance goals of the Company's directors and managers, as well as the policies, systems, standards and structure of the remuneration.
- (III) Regularly evaluate the achievement status for the performance goals of the Company's directors and managers, and set up its individual contents and amounts of the remuneration.

II. While fulfilling the duties stated in the preceding paragraph, the following principles shall be followed:

- (I) Ensure the arrangement of the Company's remuneration complies with the relevant laws and it is sufficient to attract the excellent talents.
- (II) The performance assessment and remuneration of the directors and managers shall refer to the normal standards of remuneration in the same industry, and consider the person's time involved, duties taken,

achievement of personal goal, expression of other positions taken, the same positions' remuneration paid by the Company in the recent years, as well as the achievement of the Company's short-term and long-term goals and financial conditions etc., to evaluate the correlative reasonableness for the personal expression, the Company's business performance and future risks.

- (III) The Committee shall not lead the directors and managers to pursue the remuneration by engaging the acts which have the risks that the Company is unable to bear.
- (IV) The ratio of bonus for the short-term performance of the directors and senior managers and the time to pay for partial variable remuneration shall be determined upon the characteristics of the industry and the nature of the Company's business.
- (V) The committee members shall not be involved in the discussing and voting the determination of their personal remuneration.

III. The remuneration stated in the preceding two paragraphs includes cash remuneration, stock options, profit sharing and stock ownership, retirement benefits or severance pay, variance allowances and other substantive incentive measures; its scope shall be consistent with the regulations for the remunerations of the directors and managers stipulated in Regulations Governing Information to be Published in Annual Reports of Public Companies.

IV. If the decision-making and handling of the remuneration for the directors and managers of the Company's subsidiaries are delegated to the subsidiary but required the ratification of the Company's board, the Remuneration Committee shall be asked to provide the suggestion first, and then submit to the board for discussion.

### 3. Operation of the Remuneration Committee

- (1) There are 3 members in the Company's Remuneration Committee.
- (2) Tenure of the current committee members: from August 26, 2021 to August 25, 2024. Five meetings convened by the Remuneration Committee (A) in 2021. Attendance by committee members as follows:

Title	Full name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remark
Convener	Chou, Po-Chiao	5	0	100%	Reelected on August 26, 2021
Member	Chen, Tsung-Ming	5	0	100%	Reelected on August 26, 2021
Member	Lai, Ling-Ming	5	0	100%	Reelected on August 26, 2021

#### Other mentionable items:

- I. If the board of director declines to adopt or modifies the suggestions of the Remuneration Committee, it should specify the date of the board, session, contents of motion, resolution of the board of director, and actions taken by the Company for the Remuneration Committee's opinions (e.g. the remuneration passed by the Board of Director is better than the suggestions of the Remuneration Committee, the circumstances and causes for the difference shall be specified): No such circumstance in the year.
- II. If any resolution of the Remuneration Committee was objected by or subject to a qualified opinion from any member with record or written statement, the date of the meeting of the Remuneration Committee, session, contents of motion, all members' opinions and actions taken for the members' opinions shall be specified: No such circumstance in the year.
- III. The Board of Directors passed the Remuneration Committee Charter on December 13, 2011. On August 26, 2021, the recruitment of the members for the Company's fifth Remuneration Committee was approved.
- IV. The content of the Charter has been put on the Company's website and the Market Observation Post System for reference. The Company's website is [https://www.clevo.com.tw/group\\_company.asp?id=50&lang=tw](https://www.clevo.com.tw/group_company.asp?id=50&lang=tw)

#### Note:

- (1) If a member of the Remuneration Committee resigns before the end of year, the date of resignation shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendance in person.
- (2) If the Remuneration Committee is re-elected before the end of year, both new and old members of the Remuneration Committee shall be filled in, and the information that such member is an old or a new member as well as the date of re-election shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendance in person.

**Summary Table of the Meetings Record for the Remuneration Committee:**

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Description of the case	Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	Resolution results	The company's process on the remuneration committee	Attendance Without Voting Rights
1	8	2021.01.07.	2021.01.26.	Review of year-end bonuses to managers for 2020	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lan,Bo-Yu
2	9	2021.03.18	2021.03.26	1. Amendment of the Company's Remuneration Committee Charter 2. Review of the amount of remunerations to directors and employees for 2020	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lan,Bo-Yu
3	10	2021.06.25	2021.07.05	1. Review of the Company's 2020 remuneration to directors 2. Review of the Company's 2020 remuneration to the independent director [Chou,Po-Chiao ] 3. Review of the Company's 2020 remuneration to the independent director [Chen,Tsung-Ming] 4. Review of the Company's 2020 remuneration to the independent director [Lai,Ling-Ming] 5. Review of the Company's 2020 remuneration to the independent director [Kuang-Sung Fan]	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lan,Bo-Yu
4	11	2021.07.27	2021.08.04	Review of the Company's 2020 remuneration to managers and employees	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lan,Bo-Yu
5	1	2021.08.18	2021.08.26	Appointment of the Remuneration Committee convener	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lan,Bo-Yu

**4. Composition, responsibility and functioning of the Nomination Committee:**

As of the publication date of this annual report, the Company has not set up the Nomination Committee.

The establishment is expected for completion in 2022. Its composition, responsibility and functioning will be disclosed on the Company's website.

(V) Difference in the drive for sustainability development from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference

Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
	Yes	No	Abstract Illustration	
1. Does the Company establish a governance structure for sustainable development, put in place a dedicated (part-time) unit to drive sustainable development, have the Board of Directors to authorize senior management for handling and to supervise accordingly?	V		<p>The Company established the CSR working group in 2016, with President serving as the convener. The working group formulates corporate social responsibility strategy and policy, develops the system and design of relevant management guidelines. As the dedicated unit for Clevo's sustainable development, It leads taskforces in the implementation across different departments in the Company. The Board of Directors also authorizes the high management to handle related matters and they regularly report the implementation status to the Board of Directors every year. The CSR working group includes 5 groups based on the work domains, including the corporate governance , employee care, social care, product and environment, customer care group; the members and supervisor of each group are selected from relevant units and suitable employees of the Company. The CSR working group conducts regular meetings, plans and coordinates the management, and discusses with each group for the implementation methods and goals of CSR-related projects in the future. In addition, the team is responsible for preparing the annual CSR report and matters regarding publishing.</p> <p>(1) Corporate Governance Team: Take charge of the Company's operation governance and finance related matters, including corporate governance, ethical management and compliance with laws etc.</p> <p>(2) Employee Care Team: Take charge of the employees' rights/benefits, education/training and compliance with labor laws.</p> <p>(3) Social Caring Team: Take charge of the corporate images, community participation and dealing with appeal.</p> <p>(4) Product Environment Team: Take charge of product lash, research/develop the green products and plan the policies and activities relating to environmental management for Clevo Co.</p> <p>(5) Customer Caring Team: Take charge of product responsibilities, maintaining the customer relationship and protecting the consumers' rights/benefits.</p> <p>The Company plans to rename the CSR working group "Sustainable Development Committee" in the second half of 2022. The committee will be responsible for ESG matters, preparation and publication of ESG reports. Relevant information will be disclosed on the Company's website.</p>	No deviation.
2. Does the Company apply the materiality principle to the assessment of environmental, social and corporate governance issues regarding its operations and formulate	V		<p>The Company adheres to the materiality principle for corporate social responsibility and analyzes major issues each year by referring to internationally accepted reporting guidelines. The contents and priority of issues are determined in accordance with research reports, literature and communication with internal/external stakeholders. Risk assessments are conducted and countermeasures are developed for annual work plans. Risk management policies or strategies are established on the basis of</p>	No deviation.

Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference		
	Yes	No	Abstract Illustration			
relevant risk management policies or strategies accordingly? (Note 2)			assessed risks. The following major issue management policies are disclosed in the corporate social responsibility reports.			
			Major issues		Risk assessment	Risk management policy or strategy
			Economic performance		Economic performance	The Company establishes operational targets each year for the next five years and amends these targets year-over-year according to the global economic growth. This facilitates the strategic planning and action plans for the future in order to achieve gradual and stable growth. By regularly convening operational management meetings and quarterly meetings by the Audit Committee and the Board of Directors at the headquarters, quarterly operational status and market changes are reviewed and adjusted, in order to mitigate risks and achieve annual targets.
			Corporate governance		Corporate governance	We have stayed true to the principles of corporate governance to ensure the effective operation of the Board of Directors and protect the rights and interests of stakeholders, with a high standard of corporate governance policy, professional background and gender equality policy of director election.
Ethical corporate management and legal compliance	·Anti-corruption ·Anti-competitive practices ·Socioeconomic compliance	We have stayed true to the highest ethical standard for our business operations and we have stipulated regulations for ethical corporate management and requested new employees to sign relevant documents in order to ensure that all of our business practices comply with the relevant legal requirements. We adopt a zero-tolerance policy for any misconduct that violates business ethics. With the regular reminders and internal propaganda by the auditing unit, we are committed to reinforcing our employees' concept of ethical management and legal compliance, to prevent misconduct.				

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			<table border="1"> <tr> <td></td> <td>Legal compliance regarding environmental protection regulations</td> <td> <p>We proactively stipulate environmental management policies and setting goals and indicators for the management, to be used as a standard of practices for environmental management system and operation. The management policy is stipulated by the general manager and the importance of environmental management is promoted to employees through different channels. Our employees are required to implement the management policy into daily business operations and constantly review and improve the environmental management system to facilitate their performance and practices, to continuously fulfill the objective of environmentally friendly. The environmental management policy includes:</p> <ul style="list-style-type: none"> <li>· Comply with environmental protection laws and regulations and avoid any violations</li> <li>·Take preventive measures for pollution prevention to reduce the impact on the environment.</li> <li>·Continuously improve the environmental management program and fulfill the responsibility of earth protection.</li> <li>·Proactively sort and recycle waste generated by the operations of the Company.</li> <li>·Establish communication and propaganda channels for the environmental management system and keep external communication on a frequent basis.</li> </ul> <p>Note: There was no violation of environmental protection regulations in 2021.</p> </td> </tr> <tr> <td></td> <td>Product safety</td> <td>Customers' health and safety</td> <td>To achieve the production processes with product safety and environmentally friendly, the specifications of ISO system are adopted in the design stage. It is deemed as an important objective to be in accordance with international specifications and standard requirements, so that our products can maintain their functionalities competitiveness on the market. To effectively comply with regulations, our procurement and sales departments work with suppliers to evaluate relevant laws and regulations domestic and overseas and proactively follow relevant laws and regulations.</td> </tr> <tr> <td></td> <td>Market image</td> <td>Customer's</td> <td>· Stipulate the "customer services management" and "control procedures for</td> </tr> </table>		Legal compliance regarding environmental protection regulations	<p>We proactively stipulate environmental management policies and setting goals and indicators for the management, to be used as a standard of practices for environmental management system and operation. The management policy is stipulated by the general manager and the importance of environmental management is promoted to employees through different channels. Our employees are required to implement the management policy into daily business operations and constantly review and improve the environmental management system to facilitate their performance and practices, to continuously fulfill the objective of environmentally friendly. The environmental management policy includes:</p> <ul style="list-style-type: none"> <li>· Comply with environmental protection laws and regulations and avoid any violations</li> <li>·Take preventive measures for pollution prevention to reduce the impact on the environment.</li> <li>·Continuously improve the environmental management program and fulfill the responsibility of earth protection.</li> <li>·Proactively sort and recycle waste generated by the operations of the Company.</li> <li>·Establish communication and propaganda channels for the environmental management system and keep external communication on a frequent basis.</li> </ul> <p>Note: There was no violation of environmental protection regulations in 2021.</p>		Product safety	Customers' health and safety	To achieve the production processes with product safety and environmentally friendly, the specifications of ISO system are adopted in the design stage. It is deemed as an important objective to be in accordance with international specifications and standard requirements, so that our products can maintain their functionalities competitiveness on the market. To effectively comply with regulations, our procurement and sales departments work with suppliers to evaluate relevant laws and regulations domestic and overseas and proactively follow relevant laws and regulations.		Market image	Customer's	· Stipulate the "customer services management" and "control procedures for	
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<p>III. Environmental issues</p> <p>(I) Does the Company establish the suitable environmental management systems upon its industrial characteristics?</p> <p>(II) Does the Company seek to enhance the efficiency of energy utilization and the use of recycled materials with a low environmental burden?</p> <p>(III) Does the Company assess the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and take responsive measures related to climate issues.</p> <p>(IV) Does the Company measure the annual greenhouse gas emissions, water consumption and gross weight of waste for the past two years, and stipulate policies for energy conservation and carbon reduction,</p>	V		<p>(I) The Company's main production and manufacturing factory is the Kunshan factory. Therefore, the relevant management systems and standards only created in the Kunshan factory and it had obtained the new version of certification ISO 14001: 2015 environmental management system on April 16, 2020 and the certification is valid until April 7, 2023.</p> <p>(II) Every year, the Company continues to invest funds and resources for various operations such as implementation of water resources management, energy saving and carbon reduction, waste disposal and treatment, treatment of waste gas emissions and remedial measures, pollution prevention, and environmental management. The total invested amount in 2021 is NT\$ 5,984,095. The Company is also in accordance with the trend of environmentally friendly products and relevant environmental protection directives by the European Union such as WEEE (Waste Electrical and Electronic Equipment) Directives and Restriction of Hazardous Substances (RoHS) Directive, to develop environmentally friendly green electronic products in response to the changes in the consumer electronics market worldwide as well as consumers' focus on manufacturers' environmental protection subject.</p> <p>(III) The potential risks due to climate change to the Company are primarily related to the environment and the operations. For example, resource scarcity, rising raw material costs, disability of transportation requirements, the threat to employees' safety due to extreme climate can all have direct and impact effects on the Company's operations. In response to the impact of GHG emissions on the global climate change and the environment, the Company has established Operational Procedures for Energy and Resources Management as the guideline for operational requirements, energy efficiency and carbon reduction in the use of energy resources. We have also introduced the environmental management system to regularly monitor and improve the utilization of energy resources. This mitigates the environmental impact and prevents environmental pollutions.</p> <p>(IV) The Company has formulated the Operational Procedures for Energy and Resources Management, tracks its greenhouse gas emissions each year and targets for sustainability by reducing 10% carbon emissions over a 10-year period. Energy efficiency measures are put in place at production sites and the headquarters. Details of energy savings, greenhouse gas reductions and emissions, water consumption and waste weights are disclosed in corporate sustainable development reports and on the website.</p>	No deviation.

Tasks	Implementation status (Note 1)		Abstract Illustration	Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
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greenhouse gas reduction, reduction of water consumption or management of other waste?				
<p>IV. Social issues</p> <p>(I) Does the Company establish the relevant management policies and procedures according to relevant regulations and International Bill of Human Rights?</p> <p>(II) Does the Company stipulate and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and adequately reflects the operating performance or results to the remuneration to employees ?</p>	<p>V</p> <p>V</p>	<p>(I) The Company is in compliance with internationally recognized human rights standards such as the "Universal Declaration of Human Rights," "The United Nations Global Compact" and "International Labor Organization." The Company has stipulated and implemented its human rights policies and the implementation principles include providing a safe and healthy working environment, eliminating illegalness and discrimination to ensure equal work opportunities, prohibiting forced labor, prohibiting child labor, assisting employees to maintain physical and mental health as well as work-life balance, reviewing and evaluating related systems and practices on a regular basis.</p> <p>(II) The Company proposes the standard and concept for talent recruitment and appointment based on the requirements of government regulations and policies, which is "kindred spirits, suitable talents at suitable workplaces." The recruitment of new employees is not based on the factors such as gender or religion, and we aim to provide a fair and open way for employee recruitment. The Company has been actively planning various welfare programs for employees over the past many years, to create a fun life other than work, improve quality of life, enable employees to achieve a work-life balance, and facilitate the interaction between employees amongst various departments to make the culture of the working environment better and comprehensive. We also enhance good teamwork spirit and employee loyalty, to improve the work efficiency of our employees. Please refer to PP. 95~P96 of the annual report for our welfare measures and subsidies.</p> <p>The employee's assessment and promotion methods are based on the Company's performance assessment, and all employees will cooperate with the Company's performance assessment schedule and conduct regular performance assessment. According to the practical operating status in the year, the evaluation items in the annual KPI and work plan form will be flexibly adjusted. The assessment result will be taken into consideration for the employee's future</p>	No deviation.	

Tasks	Implementation status (Note 1)		Abstract Illustration	Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference												
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(III) Does the Company provide the employees a safe and healthy working environment, and arrange the regular training relating to safety and health?	V		<p>promotion and salary adjustment. To emphasize two-way communication, we encourage managers and colleagues to discuss face-to-face and formulate tangible action plans for the performance results and task priorities of employees. This is to enhance the competitiveness of each colleague.</p> <p>The following are the average salary adjustment for employees in 2021:</p> <table border="1"> <thead> <tr> <th>Salary adjustment</th> <th>Remark</th> <th>Salary adjustment for non-managerial employees</th> <th>Remark</th> <th>Salary adjustment of managerial employees</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>0%~6.0%</td> <td>None</td> <td>0%~8.0%</td> <td>The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.</td> <td>0~5.0%</td> <td>The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance</td> </tr> </tbody> </table>	Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark	0%~6.0%	None	0%~8.0%	The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.	0~5.0%	The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance	
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			<p>(III) 1. Arrange the health promotion activities to increase the colleagues' healthiness and prevent the diseases.</p> <p>2. Arrange the courses of the health lectures regularly to enhance the colleagues' healthy awareness and healthy behaviors.</p> <p>3. Implement anti-COVID measures and install equipment to combat the virus, to protect the health and work quality of all employees.</p> <p>4. Arrange the safety and health training for new and existing laborers to teach the colleagues to prevent occupational</p>													

Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
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(IV) Does the Company establish the effective training programs of the career capability development for its employees?	V		<p>diseases and have the awareness of safety.</p> <p>5. Arrange the training for firefighting and first aid regularly to enhance the general sense of the fire-fighting and the ability to deal with emergencies.</p> <p>6. Enhance the quality of the working environment for employees, carry out 5S training, and arrange the factory's self-assessment and auditing activities for 5S.</p> <p>7. Arrange the propagation to inform the injury and promote the safety for the contractor, maintain the quality of construction and enhance the safety of the operational places for colleagues.</p> <p>(IV) The Company values the importance of education and training for employees and designs training related to job duties at various levels based on the "Systematic Diagram for Education and Training Development." The training is expected to gradually enhance the personal competitiveness of trainees. Every year, the human resources department will make a course plan based on the Company's strategic objectives for the year and the training demands proposed by each of the departments.</p>	
(V) Does the Company comply with relevant laws and international standards and establish policies and complaint procedures to protect the rights of consumers or customers when it comes to customers' health and safety, privacy, marketing and labeling of products and services?	V		<p>(V) For the marketing and labeling of the products and services, the Company complies with the relevant regulations and international standards. A dedicated after-sales service department is also established to provide customer services. There are standard procedures in product repair and maintenance in order to strengthen customer relations and satisfy the customers' needs. The Company comprehensively implements and complies with the regulations for the protection of the consumers' rights/interests, and satisfaction of the customers is one of the Company's important strategies.</p>	
(VI) Has the Company formulated a suppliers management policy and asked suppliers to abide by relevant regulations in environmental protection, occupational safety & health and labor rights and provide details of implementation?	V		<p>(VI) The Company has stipulated the "GP operation management procedures" for suppliers, which standardizes the procurement procedures for raw materials and parts. We also request our suppliers and outsourced vendors to sign "hazardous substance guarantee form" and "environment protection declaration," and attach the chemical substance analysis report by a qualified laboratory or third-party notary agency, to ensure that their provided parts and components meet the Company's current environmental requirements. In addition, we also conduct green factory assessment for our suppliers/outsourced vendors to verify whether the suppliers have obtained (or expected to obtain)</p>	

Tasks	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference														
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			the ISO14001 environmental management system certification and understand their implementation and management status.															
V. Does the Company prepare sustainability reports to disclose non-financial information by referring to international reporting standards or guidelines? Did the preceding report obtain the verification or assurance opinion from a third-party notary agency?	V		The Company prepares corporate sustainable development reports according to the internally accepted GRI (Global Reporting Initiative) Standards and commissions Ernst & Young as an independent and credible third-party verification provider to provide limited assurance based on No. 1, Standard on Assurance Engagements of the Republic of China (Taiwan) regarding assurance engagements of non-historical financial information reviews or inspections. This is published at the Company's website at <a href="https://www.clevo.com.tw">https://www.clevo.com.tw</a> .	No deviation.														
VI. If the Company has established its own guidelines on sustainable development in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the functioning and the difference of these guidelines: The Company has established the Corporate Social Responsibilities Best Practice Principles, passed by the Board of Directors on March 27, 2015 and amended by the Board of Directors on March 31, 2020. All the department heads and colleagues are actively complying with these principles to drive corporate governance, develop the sustainable environment and safeguard the society's public welfare. There is no deviation from its principles established.																		
VII. Other important information that helps to understand the implementation and the drive for sustainable development: <ol style="list-style-type: none"> <li>Significant natural disasters and other donations during the past three years</li> </ol>																		
			<table border="1"> <thead> <tr> <th>Year</th> <th>Note</th> <th>Amount Put In (Unit: NTD)</th> </tr> </thead> <tbody> <tr> <td rowspan="5">2019</td> <td>Public Welfare Activities in 2019 - Warmth in the Winter, Care for the Underprivileged (Sanchong District Office)</td> <td>38,610</td> </tr> <tr> <td>Sponsored the Modern HuaTuo Charity Seminar in 2019</td> <td>100,000</td> </tr> <tr> <td>The meal for the underprivileged - A year end dinner for solitary elderly, underprivileged, and underprivileged single mother</td> <td>10,000</td> </tr> <tr> <td>The Society of Wilderness</td> <td>10,000</td> </tr> <tr> <td>Jia-yi Charitable Group in Chiayi City</td> <td>20,000</td> </tr> </tbody> </table>	Year	Note	Amount Put In (Unit: NTD)	2019	Public Welfare Activities in 2019 - Warmth in the Winter, Care for the Underprivileged (Sanchong District Office)	38,610	Sponsored the Modern HuaTuo Charity Seminar in 2019	100,000	The meal for the underprivileged - A year end dinner for solitary elderly, underprivileged, and underprivileged single mother	10,000	The Society of Wilderness	10,000	Jia-yi Charitable Group in Chiayi City	20,000	
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2020	The home waiting babies association - employees parent-child family day -pick vegetables and fruits to donate to underprivileged groups			30,507	
	Social Welfare and Public Welfare Trust, Clevo Co.			2,000,000	
	New Taipei City Autism Service Association (employee's voluntary donation and it will not be listed in the accounting books)			15,514	
	Public Welfare Activities in 2019 - Warmth in the Winter, Care for the Underprivileged (Sanchong District Office)			38,610	
	Sponsored the Modern HuaTuo Charity Seminar in 2019			100,000	
	The meal for the underprivileged - A year end dinner for solitary elderly, underprivileged, and underprivileged single mother			\$10,000	
	Jia-yi Charitable Group in Chiayi City			\$20,000	
	Group purchasing with charities - Taiwan Foundation for the Blind and Syin-Lu Social Welfare Foundation			\$32,845	
	New Taipei City Association of Visual Impaired (Daan Sheltered Farm Of New Taipei City) (donations from employees, not recognized on the Company's account)			\$12,630	
	Events for students and art & cultural development - sponsorship to the ocean documentary in Taiwan (Whale Island)			\$60,000	
	Social Welfare and Public Welfare Trust, Clevo Co.			\$2,000,000	
	Fire Department, New Taipei City Government - donation of fire alarms			\$150,000	
	Development Center for the Spinal Cord Injured - donation of preowned books			\$1,500	
	2021	The meal for the underprivileged - A year end dinner for solitary elderly, underprivileged, and underprivileged single mother			\$10,000
		Jia-yi Charitable Group in Chiayi City			\$20,000
Group purchasing with charities - Syin-Lu Social Welfare Foundation				\$25,112	
Social Welfare and Public Welfare Trust, Clevo Co.				\$1,740,000	

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	Donation - Sunshine Social Welfare Foundation	\$998
	World Vision Taiwan	\$2,800
Total		\$6,449,126

2. Upon the spirit of putting itself in other's position, the Company cooperated with the Land Bank of Taiwan to sign a Public Welfare Trust Account of NT\$ 10 million on December 12, 2018. Starting in 2019, the amount of approx NT\$ 2 million will be dedicated to various public welfare activities every year.
3. Society Co-Prosperity
  - (1) Clevo Building Ubike Operation Station: 2021 statistics - 59,942 in the number of uses to reduce carbon emissions by 5,994 kg/CO<sub>2</sub>, equivalent to the planting of 6,660 trees
  - (2) Blood Donation: Join Clevo to give blood - Taipei Blood Donation Center invited Clevo to participate in a blood donation event in 2021. A total of 61 people joined and donated a total of 21,250ml of blood in 85 bags of blood.
  - (3) Love Earth By Using Eco-Friendly Cutlery: Since December 2017, every employee has received environmentally-friendly cutlery sets and 333 sports mugs. All new hires in 2021 have received the environmentally-friendly cutlery sets and 333 sports mugs when they came onboard.
  - (4) Recycling Rubbish: In response to the government's spirit for classifying rubbish, the Clevo usually uses the slogans and bulletins to remind the colleagues to classify the rubbish. Every floor of Taipei headquarters sets up the dedicated area for recycling the resources. The Buddhist Compassion Relief Tzu Chi Foundation will bi-weekly collect the papers, plastics containers, waste batteries and packaging materials for recycling in order to reduce the rubbish. And the Tzu Chi will transform the recycled rubbish into resources. The Clevo's income from selling the recycled resources will be fully donated to the Tzu Chi for the purpose of charitable public welfare.
4. 2021 Highlight Projects and Performances:
  - (1) Public-private joint efforts: To give back to the local neighborhoods, we continued our cooperation with Sanchong District, New Taipei City in 2021 in the outreach to disadvantaged children in Sanchong. In the winter camp "Big Hands Holding Small Hands", we served as the lecture in earthquake disaster prevention. We interacted with children in a fun and easy-to-understand way and by offering prizes for pop quizzes, in order to convey the knowledge in earthquake disaster control and emergency escape.
  - (2) Support for local small farmers: Starting in November 2019, we have been using fresh milk from a single farm, and small farmers without artificially blending and based on fair trade for our coffee machines. The average monthly cost was about 34,000 dollars in 2021. We hope to support and help on the long-term basis the development of local farmers in Taiwan.
  - (3) Clevo Charity Trust subsidized a total of NT\$1,740,000 for the disadvantaged families in Tainan in 2021. To maximize our contribution to a better society, the Company donated NT\$1,798,910 in total in 2021 on a variety of pro bono events and government-led social initiatives. Our involvement is mainly for the prosperity of communities and awareness in environmental protection. We strive to help every corner in Taiwan in need, so as to create a harmonious society and promote sustainable development.
  - (4) Awarded as the top performing company in disaster prevention in New Taipei City
  - (5) To implement COVID-safe measures in the Taipei headquarters building, we spent NT\$560,000 on the purchase of anti-virus equipment (e.g., anti-COVID packs, infrared thermometers, sterilizers), to protect the health and work quality of all employees.

Tasks	Implementation status (Note 1)		Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference
	Yes	No	
			Abstract Illustration
The aforesaid matters and results in relation to sustainable development are regularly disclosed on the Company's website and sustainability reports.			

Note 1: If "Yes" is ticked for implementation, please describe the key policies, strategies, measures and actions adopted. If "No" is ticked for implementation, please explain the difference, the reason for such difference and the relevant policies, strategies, measures and plans to be adopted going forward in the column "Difference in the drive for sustainability development from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for this difference".

Note 2: The principle of major issues refers to the subjects regarding environmental, social and corporate governance issues that have a significant impact on the Company's investors and other interested parties.

Note 3: Please refer to the best practice available on the website of Taiwan Stock Exchange's Corporate Governance Center for disclosure methods.



(VI) The difference from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons:

Evaluation Criteria	Implementation Status		Abstract Illustration	Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
<p>I. Develop the Policies and Programs for Ethical Corporate Management</p> <p>(I) Has the Company stipulated the ethical corporate management policy approved by the Board of Directors and expressed the policies and practices for ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and high management to actively implement ethical corporate management?</p> <p>(II) Does the company create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, and stipulate a plan to prevent misconduct which includes all of the preventive measures stipulated in the second paragraph of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Has the Company stipulated a plan to prevent misconduct, and specify operating procedures, behavioral guidelines, disciplinary and grievance systems for violations in each program, and put them in place? And regularly review and revise the preceding plan?</p>	V		<p>(I) In order to align the Company's directors and managers with ethical standards, and to make the Company's stakeholders more aware of its ethical standards, the Company has formulated the Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and the Procedures for Ethical Management and Guidelines for Conduct. According to the systems for director's avoidance of conflict of interest set out in the Procedural Rules of the Board of Directors Meetings, for matters that are of interest to a director or the legal person he/she represents, and that are harmful to the interests of the Company, the director shall not participate in the discussions for and voting on those matters.</p> <p>(II) The Board of Directors of the Company had passed the "Ethical Corporate Management Best Practice Principles" in 2015 and Article 7 of the principles clearly define that "the Company should create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, stipulate a prevention program, and regularly review the appropriateness and effectiveness of the prevention program" according to the requirements of the competent authority. And prevent misconduct based on the Company's "Procedures for Ethical Management and Guidelines for Conduct." The operating procedures and guidelines for conduct have included all of the preventive measures stipulated in the second paragraph of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."</p> <p>(III) The precautionary measures against offering and accepting bribes, and providing illegal political donations have stipulated in the Company's Procedures for Ethical Management and Guidelines for Conduct. The Company's administrative management center, in addition to amending the Procedures for Ethical Management and Guidelines for Conduct, is put in charge of supervising the implementation thereof.</p>	No deviation.
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Has the Company assessed the track records of business ethics of counterparties and incorporated code of conduct in the contracts with counterparties?</p>	V		<p>(I) In addition to complying with the Company's Procedures for Ethical Management and Guidelines for Conduct, when entering into a commercial contract with other parties, in addition to fully understanding their status about ethical corporate management, the contract shall be performed in good faith; Before signing a contract, ethical corporate management will be included in the terms of</p>	No deviation.

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
(II) Has the Company set up a dedicated unit under the Board of Directors that promotes ethical corporate management and reports its ethical corporate management policy and plan for the prevention of misconduct as well as the implementation status to the Board of Directors on a regular basis (at least once a year)?	V		<p>the contract if the Company deems it necessary subject to amendments thereto in light of the type of the contract.</p> <p>(II) The Company's administrative management center is the dedicated unit for ethical corporate management and working with the audit office to develop relevant regulations. President serves as the convener for the formulation, amendment, implementation, interpretation and consultation of the Procedures for Ethical Management and Guidelines for Conduct, as well as the operation and monitoring of registered contents reporting and filing. The responsible unit reports to the Board of Directors each year about the implementation progress. Appropriate channels for statements are provided to avoid conflict of interest. Meanwhile, the Board of Directors has approved on March 27, 2015 the formulation of the Company's Ethical Corporate Management Best Practice and Procedures for Ethical Management and Guidelines for Conduct. The implementation of the policies for ethical corporate management in 2021 was reported to the Board of Directors on March 28, 2022.</p>	
(III) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	V		<p>(III) The Company's Board of Directors shall exercise due care of a good administrator in supervising the Company to prevent dishonesty, and review the implementation effectiveness and continuous improvement at any time to ensure that ethical corporate management policy is put into effect. The Company has stipulated the "Codes of Ethical Conduct," "Rules for Ethical Business operations" and "Procedures for Ethical Management and Guidelines for Conduct" which have clearly stated the policy for preventing the conflicts of interest, so that directors should be highly self-disciplined, and account for any proposed matter for consideration at the meeting of the Board of Directors if he/she or the legal person he/she represents may be interested therein. A director shall not participate in the discussions and voting, nor shall he/she exercise his/her own vote or by proxy on behalf of another director if the aforesaid conflicts of interest impair the interest of the Company. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouses, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both their immediate supervisors and the Company's dedicated unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of the Company may use the Company's resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other</p>	

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
(IV) Has the Company established an effective accounting system and internal control system for the ethical corporate management, assigned internal auditing unit to stipulate relevant audit plan according to the assessment results for the risk of misconduct, as well as use it as reference for auditing and preventing on the compliance status of misconduct, or entrust CPAs to conduct the auditing	V		<p>than those of the Company.</p> <p>(IV) The Company has established a complete and effective internal control system, relevant management regulations, accounting systems, Ethical Corporate Management Best Practice Principles, etc., which are implemented and reviewed at any time to ensure that the design and implementation of the systems are effective. Internal auditors regularly inspect operating activities each year. In case of any dishonest behavior identified, audit reports will be produced and submitted to the Board of Directors. No dishonest behavior occurred in 2021.</p>	
(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	V		<p>(V) The administrative management center that is the ethical management unit of the Company organizes education and training for new employees (including the concept of ethical corporate management) on a regular basis.</p> <p>The Company's 2021 implementation was as follows:</p> <ol style="list-style-type: none"> <li>1. When the Company provides training and education to new hires to advocate the regulations governing ethical businesses, the employees who have completed the curriculum are asked to sign documents concerning ethics and code of conduct such as confidentiality agreements, commitment to ethics and self-discipline, employee's self-regulation pact, and employee's declaration statement. In 2021, a total of 80 new hires signed these documents, at 100% sign-up ratio.</li> <li>2. The Company started to offer training and education via e-learning to employees about ethical corporate management. The title of the two-hour curriculum is "<u>Cherish not Jewelry but Integrity - Ethical Corporate Management</u>". As of the end of 2021, a total of 371 visitors clicked on the curriculum. There was no reporting of illegal behavior in 2021 via the hot line or emails.</li> <li>3. Employees may flag or report illegal behaviors via multiple channels to management and the human resources department. The Company discloses and declares its ethical corporate management policies and implementations at its website and annual reports.</li> </ol>	
III. Operation of the Company's Whistle-blowing System (I) Has the Company put in place the specific whistle-	V		(I) When a director or manager violates the Codes of Ethical Conduct, he/she shall be reported to the	No deviation.

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?			<p>Board of Directors for treatment. The Board of Directors shall appoint one or more persons to investigate his/her behavior. In case of any violation, the Board of Directors may punish him/her depending on the seriousness of the case. Information such as the title, name, date of violation, cause, the guidelines which have been violated, and punishment about the person who has violated the Codes of Ethical Conduct should be disclosed immediately on the Market Observation Post System if such violation is material. Those who violate ethical standards may appeal to the Board of Directors.</p> <p>The Company encourages internal and external personnel to report on unfaithful behavior or misconduct, and pay bonuses to them at its own discretion depending on the seriousness of the case. Any internal personnel who are found to have fraudulently reported or made malicious allegations, should be subject to disciplinary punishment, up to and including termination.</p> <p>The Company has established and announced internal independent mailboxes or special lines for complaints on the Company's website and the Intranet, or has other external independent agencies to provide such mailboxes and special lines for use by internal and external personnel.</p>	
(II) Has the Company set the investigation standards, operating procedures, follow-up measures after the investigation and related confidentiality mechanisms for the reported complaints?	V		(II) The mechanisms for operations and confidentiality have been stipulated in accordance with the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and the compliant system. The Company shall keep confidentiality of information on whistleblowers or the personnel involved in the investigation as well as the investigation content.	
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	V		(III) The company has created a complaint system which aims to maintain the Company's reputation, safeguard the property, prevention of corruption, theft, embezzlement or other violations of laws and regulation that affect the rights and interests of shareholders, employees and business partners, and protect the safety of whistleblowers. The company will also keep the identity of whistleblowers and reports in confidentiality. When discovering or receiving reports on dishonest acts of the Company's personnel, the Company should immediately find out the truth. If the violators can produce any evidence indicating that they have not violated the Company's regulations, they can immediately appeal to the Administrative Management Center. If it is confirmed that the violators are in violation of the relevant laws or the Company's policies and regulations for ethical corporate management, they are required to immediately stop the relevant act, and subject to disciplinary actions; a claim for damages will be made by the Company if necessary through legal proceedings to maintain the Company's reputation and interests.	

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
			<p>60. The Company guarantees that the identity of the individual and the information provided for complaints and reporting shall be held in absolute confidentiality according to the Personal Data Protection Act. Whistle-blowers will not be penalized.</p> <p>Contact information:  Reporting mailboxes  Chinese: 24199 三重郵局第 3-96 號信箱  English: P.O.BOX 3-96 Sanchong New Taipei City 24199 Taiwan (R.O.C.)  E-Mail address : audit@clevo.com.tw  Special line: (02)2995-0299</p>	
<p>IV. Enhancing Information Disclosure</p> <p>(I) Has the Company disclosed the contents and implementation effectiveness of the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?</p>	V		<p>The Company had disclosed the contents of the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System. The status of implementation effectiveness is also disclosed in the annual report and corporate social responsibility report. Please visit the Company's website for details at <a href="https://www.clevo.com.tw">https://www.clevo.com.tw</a>.</p>	No deviation.
<p>V. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the stipulated principles: No difference.</p>				
<p>VI. Other important information helpful for better understanding of ethical corporate management: (such as the review of and amendments to the Ethical Corporate Management Best Practice Principles, etc. ):</p> <ol style="list-style-type: none"> <li>1. The Company's Board of Directors on March 27, 2015 approved the formulation of the Ethical Corporate Management Best Practice and Procedures for Ethical Management and Guidelines for Conduct. Amendments were made on March 27, 2018 and March 31, 2020 and reported to the shareholders' meetings during the respective years.</li> <li>2. The Company complies with the Company Act, Securities and Exchange Act, the relevant laws and regulations related to listing or other codes of business conduct as the basis for the implementation of ethical corporate management.</li> <li>3. According to the systems for director's avoidance of conflict of interest set out in the Procedural Rules of the Board of Directors Meetings, for proposals submitted to a meeting of the Board of Directors that are of interest to a director or the legal person he/she represents, the director may express his/her opinions and answer questions, but he/she shall not participate in the discussions for and voting on those proposals, nor shall he/she exercise his/her own vote or by proxy on behalf of another director if the aforesaid conflicts of interest impair the interest of the Company.</li> <li>4. The "Procedures for Handling Major Internal Information Operation and Preventing Insider Trading" developed by the Company specifically stipulate that directors, managers and servants are not allowed to disclose the major internal information they are aware of to others, and may not inquire about or collect the unrevealed and major internal information irrelevant to personal duties from those who are aware of the major internal information within the Company. No unrevealed and major internal information acquired not through conduct of business shall be disclosed to others.</li> </ol>				

(VII) If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles:

1. To establish a robust corporate governance system, the Company has formulated the Corporate Governance Best-Practice Principles.
2. In order to align the Company's directors and managers with ethical standards, and to make the Company's stakeholders more aware of its ethical standards, the Company has stipulated the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and the "Procedures for Ethical Management and Guidelines for Conduct."
3. In order to establish a good mechanism for handling and disclosing major internal information of the Company, to avoid improper disclosure of information, to ensure the consistency and correctness of the information made publicly available by the Company, and to strengthen the prevention and management of insider trading, the Company has established the Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading which shall be followed by all the employees.
4. Please visit <https://www.clevo.com.tw> for the related codes or management procedures.

(VIII) Other important information that is useful to better understand the corporate governance operations shall also be disclosed:

The information about corporate governance on the Company's website can be assessed at [https://www.clevo.com.tw/group\\_company.asp?id=51&lang=tw](https://www.clevo.com.tw/group_company.asp?id=51&lang=tw).

(IX) Implementation Status of Internal Control Systems  
1. Statement of Internal Control.

CLEVO CO.

Statement of Internal Control System

Date: March 28, 2022

Based on self-assessment of its internal control system for 2021, the Company makes the following statement:

- I. The establishment, implementation and maintenance of an internal control system are the responsibility of the Company's Board of Directors and management. The Company has established such a system, designed to provide reasonable assurance with respect to the effectiveness and efficiency of business operations (including profitability, performance and safeguarding of assets), the preparation of reliable, timely and transparent financial statements, and their compliance with the relevant rules and regulations.
- II. An internal control system, no matter how well designed, has inherent limitations and therefore can provide only reasonable assurance with respect to the accomplishment of the above goals. Furthermore, because of changing conditions and circumstances, the effectiveness of an internal control system may vary over time. Notwithstanding, the internal control system of the Company contains self-oversight mechanisms, and actions are taken to correct deficiencies as they are identified.
- III. The Company examined the design and effective implementation of its internal control system according to the criteria prescribed in the Regulations Governing Establishment of Internal Control Systems by Public Companies (called the Regulations below). The "Regulations" divide internal control into five constituents in line with the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervision. Each constituent contains several criteria. Please refer to the "Regulations" for details.
- IV. The Company has evaluated the effectiveness of design and implementation of its internal control system in accordance with the above criteria.
- V. Based on the aforesaid assessment results, the Company believes that its internal control system (including the oversight and management of subsidiaries) as of December 31, 2021 was effective in design and implementation to reasonably assure the understanding of the target achievement for operational effectiveness and efficiency; reliability, timeliness and transparency of reporting; and compliance with relevant laws and regulations.
- VI. This Statement will be a major part of the Company's annual report and prospectus, and will be made publicly available. The Company shall be held liable for misrepresentation or nondisclosure in the above content, according to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Company's Board of Directors on March 28, 2022. Among the seven attending directors, no director raised objection and all the directors agreed with the contents of this statement.

CLEVO CO.

Chairman: Hsu, Kun-tai      Seal

General Manager: Tsai, Ming-Hsien      Seal

Note 1: If there is a major deficiency in the design and implementation of the internal control systems of public companies identified in the year, the explanatory paragraph should be added to Paragraph 4 of the Statement of Internal Control System to list and explain the major deficiency found in the self-assessment, the improvement actions taken by the Company by the balance sheet date, and improvements.

Note 2: The date of statement is the "end of the fiscal year."

2. If accountants are entrusted with review of the internal control system, the review report issued by the accountants shall be disclosed: None.

(X) In the most recent year and up to the date of publication of the annual report, if the Company and its internal personnel have been punished according to the laws, or the punishment has been imposed on internal personnel by the Company for violation of the internal control systems, if the result of the punishment may have a significant impact on shareholders' rights and interests or securities prices, the content of the punishment, major defects and improvement shall be listed: Not applicable.

(XI) Important resolutions passed at the meetings of shareholders and the Board of Directors in the most recent year and up to the date of publication of the annual report.

1. Key resolutions and implementations by the general shareholders' meeting on August 26, 2021:

(1) Reports on Company Affairs

Item 1 The 2020 Business Report.

Item 2 Review by the Audit Committee of the Company's financial statements and business report for 2020.

Item 3 Report on distribution of remunerations to employees and directors for 2020.

Item 4 Report on the earnings distribution and cash dividends for 2020.

(2) Matters to be Ratified

Subject 1: Approved the Company's financial statements and business report for the year of 2020.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

Subject 2: Passed the appropriation of the Company's 2020 earnings.

Progress: The Company's undistributed earnings at the beginning of 2020 post statutory adjustment was NT\$451,923,851. According to Article 26 of the Company's Articles of Incorporation, the earnings available for distribution was NT\$533,931,070. The issuance of cash dividends from earnings for 2020 was NT\$373,357,800, or NT\$0.6 per share. The distribution was completed on August 18, 2021.

(3) Discussions

Proposal 1: To approve the amendment of the Company's Rules and Procedures of Shareholders' Meetings

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

Proposal 2: To approve the amendment of the Company's Procedures for Election of Directors

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

(4) Election matters

Subject: Election of the Company's directors (including independent directors)

The election results are as follows:

4 directors:

Shareholder's account No. or GUI No.	Full name	Votes for election
1	Hsu,Kun-tai	463,140,888
13	Tsai,Ming-Hsien	462,974,888
F1229XXXXX	Lu,Jin-Zong	461,799,000
20204	Chien,Yih-Long	461,799,000

3 independent directors:

Shareholder's account No. or GUI No.	Full name	Votes for election
D1011XXXXX	Chou,Po-Chiao	462,168,386
D1003XXXXX	Chen,Tsung-Ming	461,799,000
N2226XXXXX	Lai,Ling-Ming	461,799,000

(5) Other Motions

Subject: Release of the non-compete prohibition on the Company's new directors and representatives

Progress: This proposal has come into effect after being passed at the shareholders' meeting.



2. Important resolutions passed at the Board of Directors meeting in the most recent year and up to the date of publication of the annual report:

Attendance of individual directors and supervisors: V = attendance

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Remark
					Hsu,Kun-tai	Tsai,Ming-Hsien	Lu,Jin-Zong	Chien,Yih-Long	Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	
1	21	2021.02.09	2021.02.19	<ol style="list-style-type: none"> <li>1. Reported on the implementation of corporate governance in 2020.</li> <li>2. Reported on the management plan and implementation by the Company's Information Management Committee</li> <li>3. Passed the base date for the capital reduction by the cancellation of treasury shares.</li> <li>4. Approved the Corporate Governance Committee's 2021 implementation plan</li> <li>5. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chun-Jun Lin Chiu,Shu-juan
2	22	2021.03.18	2021.03.26	<ol style="list-style-type: none"> <li>1. Report on the implementation of the resolutions passed at the sixth meeting of the Board of Directors in 2020 and the first meeting of the Board of Directors in 2021.</li> <li>2. Report on internal audit of business.</li> <li>3. Report on memorandum book for the Company's derivative commodity transactions.</li> <li>4. Report on performance assessment results on the board and functional committee in 2020.</li> <li>5. Report on implementation of the ethical corporate management policy in 2020.</li> <li>6. Approved the Company's financial statements and business report for the year of 2020.</li> <li>7. Approved the review by the Audit Committee on remunerations to employees and directors in 2020.</li> <li>8. Passed the appropriation of the Company's 2020 earnings.</li> <li>9. Approved the appropriation of the Company's 2020 earnings via cash dividends.</li> <li>10. Approved the re-election of the Company's directors (including independent directors).</li> <li>11. Adoption of a list of candidates for the directors nominated and review of the nominations by the Board of Directors.</li> <li>12. Adoption of a list of candidates for the independent directors nominated and review of the nominations by the Board of Directors.</li> <li>13. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."</li> <li>14. Adoption of amendments to the Rules and Procedures of Shareholders' Meetings.</li> <li>15. Adoption of amendments to the Procedures for Election of Directors.</li> <li>16. Adoption of amendments to the Rules and Procedures of Board Meetings.</li> <li>17. Adoption of amendments to the Procedures for Appraisal of Performance of the Board of Directors.</li> <li>18. Adoption of amendments to the Rules for Duties and Responsibilities of Independent Directors.</li> <li>19. Passed the amendment of the Company's Audit Committee Charter.</li> <li>20. Adoption of amendments to the Compensation Committee Charter.</li> <li>21. Passed the Company's 2020 internal control system, and the statement of internal control system issued upon the result of self-assessment.</li> <li>22. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.</li> <li>23. Adoption of the agenda for convening the general meeting for 2021, and the discussion for relevant operations.</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Remark	
					Hsu,Kun-tai	Tsai,Ming-Hsien	Lu,Jin-Zong	Chien,Yih-Long	Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming		
3	23	2021.05.03	2021.05.11	<ol style="list-style-type: none"> <li>Report on the implementation of the resolutions passed at the second meeting of the Board of Directors in 2021.</li> <li>Report on internal audit of business.</li> <li>Report on memorandum book for the Company's derivative commodity transactions.</li> <li>Report on the Company's results in the 2020 corporate governance evaluation.</li> <li>Approved the Company's finalized account for the first quarter of 2021</li> <li>Passed the base date for the capital reduction by the cancellation of treasury shares.</li> <li>Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi	
4	24	2021.06.24	2021.07.05	<ol style="list-style-type: none"> <li>Approved the proposal to postpone the Company's 2022 shareholders' meeting</li> <li>Adoption of the proposed ex dividend date for 2021.</li> <li>Adoption of the proposed purchase of liability insurance for the Company's directors and important staff.</li> <li>Approval of the distribution of 2020 remunerations to directors.</li> <li>Approval of the distribution of 2020 remunerations to independent directors.</li> <li>Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Chiu,Shu-juan	
5	25	2021.08.02	2021.08.04	<ol style="list-style-type: none"> <li>The distribution of 2020 remunerations to employees.</li> </ol>	V	V	V	V	V	V	V	V	Wu,Mai Chiu,Shu-juan
6	26	2021.08.04	2021.08.12	<ol style="list-style-type: none"> <li>Report on the implementation of the resolutions passed at the third to fifth meeting of the Board of Directors in 2021.</li> <li>Report on internal audit of business.</li> <li>Report on memorandum book for the Company's derivative commodity transactions.</li> <li>Approved the Company's consolidated financial statements for the second quarter of 2021</li> <li>Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan	

After 2021.08.26 election

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Remark
					Hsu,Kun-tai	Tsai,Ming-Hsien	Lu,Jin-Zong	Chien,Yih-Long	Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	
7	1	2021.08.18	2021.08.26	<ol style="list-style-type: none"> <li>Approval of the appointment of the Company's Chairman and Vice Chairman.</li> <li>Adoption of the proposed appointment of the members of the Remuneration Committee.</li> <li>Approval of the recruitment of the Corporate Governance Committee members.</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi
8	2	2021.10.15	2021.10.15	<ol style="list-style-type: none"> <li>Approved the planned disposal of Clevo building and the land</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Remark
					Hsu,Kun-tai	Tsai,Ming-Hsien	Lu,Jin-Zong	Chien,Yih-Long	Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	
9	3	2021.11.04	2021.11.12	<ol style="list-style-type: none"> <li>Report on the implementation of the resolutions passed at the sixth to eighth meeting of the Board of Directors in 2021.</li> <li>Report on internal audit of business.</li> <li>Report on memorandum book for the Company's derivative commodity transactions.</li> <li>Approved the Company's finalized account for the third quarter of 2021</li> <li>Passed the base date for the capital reduction by the cancellation of treasury shares.</li> <li>Approved the 2022 action plan for the Corporate Governance Committee</li> <li>Approved the Company's 2022 audit plan</li> <li>Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.</li> </ol>	V	V	V	V	V	Absent	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Lin,Bo-Wei Wu,Han-Qi
10	4	2022.02.16	2022.02.25	<ol style="list-style-type: none"> <li>Approved the Company's planned cooperation with Epoque Corporation</li> <li>Approved the planned leasing of office buildings from the related party Hon Hui Si Yuan CO., LTD.</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Lin,Bo-Wei
11	5	2022.03.17	2022.03.28	<ol style="list-style-type: none"> <li>Report on the implementation of the resolutions passed at the ninth meeting in 2021 and the first meeting of the Board of Directors in 2022.</li> <li>Report on internal audit of business.</li> <li>Report on memorandum book for the Company's derivative commodity transactions.</li> <li>Report on issuance and transfer of treasury shares.</li> <li>Report on performance assessment results on the board and functional committee in 2021.</li> <li>Report on implementation of the ethical corporate management policy in 2021.</li> <li>Reported on the implementation of corporate governance in 2021.</li> <li>Approved the Company's finalized account and business report for 2021</li> <li>Approved the review by the Audit Committee on remunerations to employees and directors in 2021.</li> <li>Approved the Company's distribution of 2021 earnings</li> <li>Approved the appropriation of the Company's 2021 earnings via cash dividends.</li> <li>Approved the change of the Company's business address.</li> <li>Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."</li> <li>Adoption of amendments to the Articles of Association of the Company.</li> <li>Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets."</li> <li>Adoption of amendments to the Rules and Procedures of Shareholders' Meetings.</li> <li>Adoption of amendments to the Corporate Governance Best Practice Principles of the Company.</li> <li>Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements</li> <li>Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions</li> <li>Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates</li> <li>Approved the 2021 self-assessment results on the Company's internal control system and the issuance of the statement on the internal control system</li> </ol>	V	V	V	V	V	V	V	Wu,Mai Liu,Yi-Mei Chiu,Shu-juan Wu,Han-Qi

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director			Remark
					Hsu,Kun-tai	Tsai,Ming-Hsien	Lu,Jin-Zong	Chien,Yih-Long	Chou,Po-Chiao	Chen,Tsung-Ming	Lai,Ling-Ming	
				22. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 23. Adoption of the agenda for convening the general meeting for 2022, and the discussion for relevant operations								
12	6	2022.05.03	2022.05.11	1. Report on the implementation of the resolutions passed at the second meeting of the Board of Directors in 2022. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on the implementation by the Company's Information Security Management Committee. 5. Report on the Company's corporate governance evaluation results in 2021. 6. Approved the Company's consolidated financial statements for the first quarter of 2022 7. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	√	√	√	√	√	√	√	Wu,Mai Liu,Yi-Mei Chun-Jun Lin Chiu,Shu-juan
13	7	2022.05.18	2022.05.20	1. Approved the Company's planned cooperation with Hua Tai Investment Corporation	√	√	√	√	√	√	√	Wu,Mai Chiu,Shu-juan

(XII) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that has been noted in the records or declared in writing: None.

(XIII) Summary of resignations and dismissals of Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Corporate Governance Officer, and R&D Head during the most recent year and as of the print date of the annual report: None.

V. Information about Certification Fees for CPAs

Unit: NTD 1,000

Name of accounting firms	Name of CPAs		Audit period	Audit fees	Non-audit fees	Total	Remark
PwC Taiwan	Wu,Han-Qi	Liang,Hua-ling	2021.01.01~2021.12.31	4,100	100	4,200	Explanation on non-audit fees: NT\$100 thousand for business registration

Note: If the Company changes CPAs or accounting firms during the year, it is necessary to provide the audit periods and the reason for the change in the Remark column and disclose the audit fees and non-audit fees paid. The details of the services for non-audit fees should be provided.

- (I) If the non-audit fees paid to the CPAs, the accounting firms the CPAs work for and their affiliated companies accounting for more than one fourth of the audit fees, the amount of audit and non-audit fees, and non-audit services shall be disclosed: None.
- (II) If the audit fees paid during the year when the accounting firm is replaced are less than the previous year, the amount of the audit fees before and after the replacement, and the reasons for reduction shall be disclosed: None.
- (III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: None.

VI. Information about Replacement of CPAs:

(I) Former CPAs

Replacement date	2020.03.31		
Reasons for Replacement	Due to the rotation policy of PwC Taiwan, the Company has replaced the former CPA, Feng, Min-Juan, with the CPA, Liang, Hua-ling, from the first quarter of 2020		
The term of office for the appointer or accountant is terminated or he/she does not accept the appointment	Parties		
	Situation	CPAs	Appointer
	Voluntary termination of appointment		V
	No further acceptance (continuation) of appointment		
Comments and reasons for review reports without qualified opinions issued within the period of most recent two years	No such circumstances		
Is there any disagreement with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Verification scope or steps
			Others
	None	V	
	Description: not applicable		
Other disclosures (The matters referred to in Articles 10.6(1)-4 to 7 of these Principles shall be disclosed)	<p>(1) If the former CPA has informed the Company that a lack of a sound internal control system rendered its financial reports untrusted: None.</p> <p>(2) If the former CPA has informed the Company that he/she could not rely on the Company's statement or was unwilling to have any connection with the Company's financial reports: Non.</p> <p>(3) If the former CPA has informed the Company that it was necessary to expand the scope of audit, or the information indicated that the expansion of the scope of the audit would impair the credibility of the previously issued or forthcoming financial reports, however, the former CPA did not expand the scope of the audit due to replacement or other reasons: No.</p> <p>(4) If the former CPA has informed the Company that the credibility of the previously issued or forthcoming financial reports may be impaired based on the information gathered, however, the former CPA did not deal with such matters due to replacement or other reasons: No.</p>		

(II) Successive CPAs

Name of accounting firm	PwC Taiwan
Name of CPAs	CPA, Wu, Han-Qi and CPA, Liang, Hua-ling
Date of appointment	2020.03.31
Accounting treatment methods or accounting principles for specific transactions, and advisory matters and results that may be issued for financial reporting prior to appointment	None
Written opinions of the successive accountants different from those of the former accountants	None

(III) Replies from the former accountants to the matters referred to in Article 10, paragraph 6(1) and (2)-3 of these Principles: Not applicable.

VII. If the chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year, his/her name, title and the period working for the accounting firm or the affiliated enterprises: None. The affiliated companies of the accounting firm to which CPAs belong refer to the companies or institutions in which the accounts of the accounting firm CPAs work for hold more than 50% of the shares, or hold positions of more than half of the directors, or which are called affiliated companies in the information published or printed by the accounting firm: None.

VIII. Information about the shares transferred by and changes to the shares pledged by the directors, supervisors, managers and the shareholders holding more than 10% of shares in the most recent year and up to the date of publication of the annual report

(I) Changes to the shares held by directors, supervisors, managers and majority shareholders:

Title (Note 1)	Full name	2021		As of April 17 for the current year	
		Increase/decrease number of shares held	Increase/decrease number of shares pledged	Increase/decrease number of shares held	Increase/decrease number of shares pledged
Chairman	Hsu, Kun-tai	- (5,000,000)	-	-	-
Vice Chairman and President	Tsai, Ming-Hsien	-	-	-	-
Director and Executive Vice President	Chien, Yih-Long	-	-	-	-
Director	Lu, Jin-Zong	-	-	-	-
Independent Director	Chou, Po-Chiao	-	-	-	-
Independent Director	Chen, Tsung-Ming	-	-	-	-
Independent Director	Lai, Ling-Ming	-	-	-	-
Senior Vice President	Zhang, Fu-Ming	-	-	-	-
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai	-	-	-	-
Vice President	Li, Wen-Hua	- (4,000)	-	- (6,000)	-
Vice President	Chen, Hsueh-Wen	-	-	-	-
Vice President	Lin, Nan-Sheng	1,000	-	-	-
Vice President	Lin, Guan-Yen	-	-	-	-
Senior Assistant Vice President	Zhang, Wen-Song	-	-	- (10,000)	-
Senior Assistant Vice President	Wang, Feng-Zhu	-	-	-	-
Senior Assistant Vice President	Cheng, Yu-Ming	-	-	-	-
Senior Assistant Vice President	Lin, Sheng-Hsiang	-	-	-	-

Title (Note 1)	Full name	2021		As of April 17 for the current year	
		Increase/decrease number of shares held	Increase/decrease number of shares pledged	Increase/decrease number of shares held	Increase/decrease number of shares pledged
Senior Assistant Vice President	Chung, Wen-Chin	-	-	-	-
Senior Assistant Vice President	Lin, Liang-Shih	(10,000)	-	(13,000)	-
Senior Assistant Vice President	Chen, Tsung-Chih	-	-	-	-

Note 1: Shareholders holding more than 10% of the Company's shares should be indicated as major shareholders, and listed separately.

Note 2: if the transferee or pledgee of shares is a related party, the following form shall be filled out.

(II) Information about share transferring: None.

Full name (Note 1)	Reasonable for the share transfer (Note 2)	Trade date	Counter parties	Relation between the counterparty with the Company's directors, managers and shareholders with at least 10% stakes	Number of Shares	Transaction price
Hsu, Kuntai	Bestowal	2021.11.15	Lin, Feng-Chu	Spouse	5,000,000	34.45

Note 1: Fill out the name of the directors, supervisors, managers and shareholders holding more than 10% of the shares.

Note 2: acquisition or disposal of.

(III) Information about pledge of stock rights: None.



IX. The Relationships among Top Ten Shareholders, Such as Related Parties, Spouses or Relatives within the Second-degree of Kinship.

April 17, 2022

Name (Note 1)	Number of shares held in person		Shares held by spouse and minor children		Total number of shares held in the name of others		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders (Note 3).		Remark
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Relationship	
Hsu,Kun-tai	46,701,335	7.27%	21,371,784	3.33%	0	0%	Lin,Feng-Chu Hsu,Fu-Chia Hsu,Li-Hsin Hsu,Cheng-Hsin Hsu,Yueh-Sen	Spouse First-degree relative First-degree relative First-degree relative Second-degree relative	-
Huatai Investment Co., Ltd. Person in charge: Hsu Kun Tai	37,326,144	5.81%	0	0%	0	0%	Hsu,Kun-tai Lin,Feng-Chu Hsu,Fu-Chia Hsu,Li-Hsin Hsu,Cheng-Hsin Hsu,Yueh-Sen	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative Second-degree relatives of the Company's representative	-
Hongwell Co., Ltd. Person in charge: Hsu Kun Tai	33,567,888	5.23%	0	0%	0	0%	Hsu,Kun-tai Lin,Feng-Chu Hsu,Fu-Chia Hsu,Li-Hsin Hsu,Cheng-Hsin Hsu,Yueh-Sen	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative Second-degree relatives of the Company's representative	-
Hsu,Fu-Chia	32,176,454	5.01%	4,424,196	0.69%	0	0%	Hsu,Kun-tai Hsu,Yueh-Sen Lin,Feng-Chu Hsu,Li-Hsin Hsu,Cheng-Hsin	First-degree relative First-degree relative First-degree relative Second-degree relative	-
Lin,Feng-Chu	21,371,784	3.33%	46,701,335	7.27%	0	0%	Hsu,Kun-tai Hsu,Fu-Chia Hsu,Li-Hsin Hsu,Cheng-Hsin Hsu,Yueh-Sen	Spouse First-degree relative First-degree relative First-degree relative Second-degree relative	-
Hsu,Li-Hsin	19,556,568	3.04%	0	0%	0	0%	Hsu,Kun-tai Lin,Feng-Chu Hsu,Fu-Chia Hsu,Cheng-Hsin	First-degree relative First-degree relative Second-degree relative Second-degree relative	-
KAPOK COMPUTER Person in charge: Hsu Kun Tai	16,966,596	2.64%	0	0%	0	0%	Hsu,Kun-tai Lin,Feng-Chu Hsu,Fu-Chia Hsu,Li-Hsin Hsu,Cheng-Hsin Hsu,Yueh-Sen	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative Second-degree relatives of the Company's representative	-
Youkang Electronics Co., Ltd. Person in charge: Lu,Jin-Zong	16,730,000	2.60%	0	0%	0	0%	-	-	-
Hsu,Yueh-Sen	16,624,373	2.59%	623	0%	0	0%	Hsu,Kun-tai Hsu,Fu-Chia Lin,Feng-Chu	Second-degree relative First-degree relative Second-degree relative	-
Hsu,Cheng-Hsin	15,547,156	2.42%	0	0%	0	0%	Hsu,Kun-tai Lin,Feng-Chu Hsu,Fu-Chia Hsu,Li-Hsin	First-degree relative First-degree relative Second-degree relative Second-degree relative	-

Note 1: All the top ten shareholders should be listed. The name of corporate shareholders (if any) and the representatives of corporate shareholders should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the ratio of shareholdings in the name of a shareholder, his/her spouse, minor children or another person.

Note 3: The relationship among the shareholders listed above, including legal persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Number of the shares in the same investees held by the Company and its directors, supervisors, managers and the enterprises directly or indirectly controlled by the Company, and calculation of the combined shareholding percentage.

Unit: number of shares; %

March 31, 2022

Investees (Note)	Investment made by the Company		Invested by directors, supervisors, managers and the enterprises directly or indirectly controlled		Comprehensive investment	
	Number of shares	% of shareholding	Number of shares	% of shareholding	Number of shares	% of shareholding
1. KAPOK COMPUTER	8,000,000	100%	0	0 %	8,000,000	100%
2.CLEVO Investment Co., Ltd.	14,000,000	100%	0	0 %	14,000,000	100%
3. CLEVO COMPUTER SINGAPORE PTE LTD.	22,325,453	100%	0	0 %	22,325,453	100%
4. CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	369,370,000	100%	0	0 %	369,370,000	100%
5. KAPOK COMPUTER(SAMOA) CORPORATION	16,000,000	100%	0	0 %	16,000,000	100%
6.BUYNOW ON-LINE HOLDING CORPORATION	1,100,000	100%	0	0 %	1,100,000	100%

