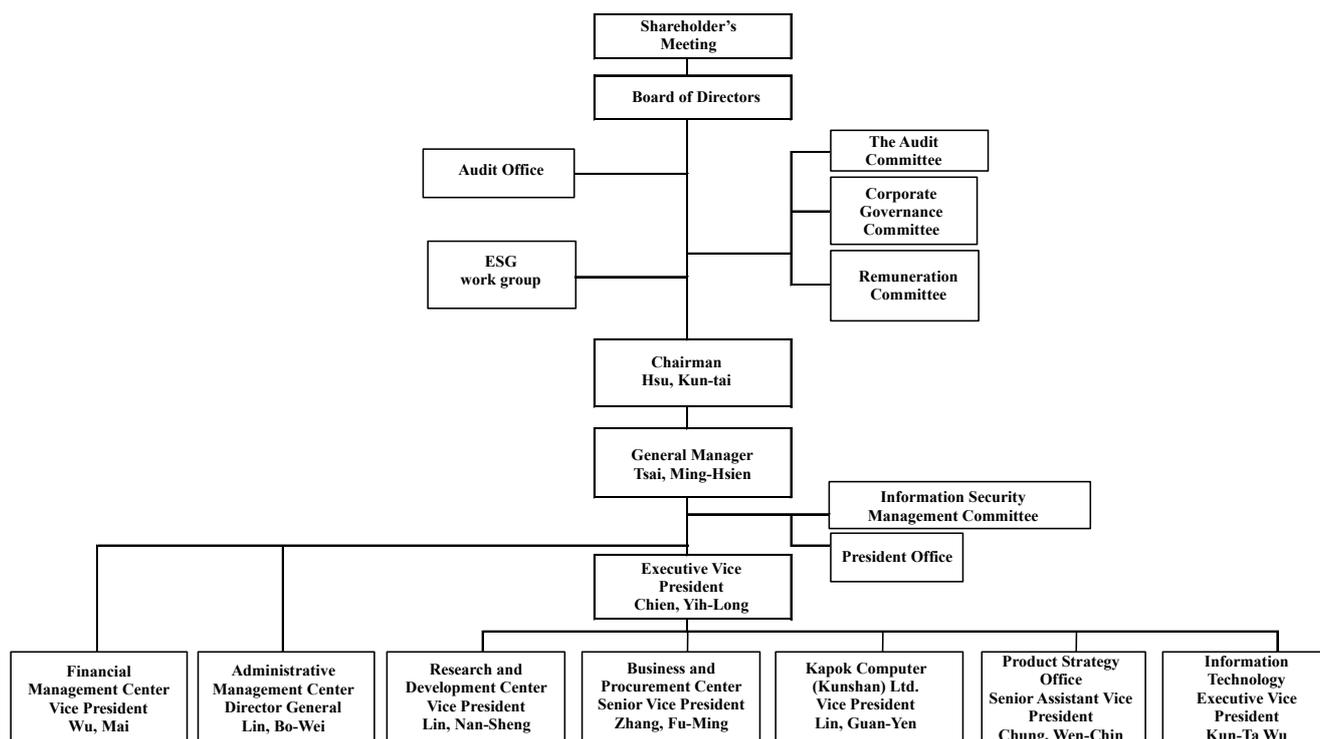


Corporate Governance Report

I. Organization System

(I) Organization Structure

Chart creation date: 2023.04.30



(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	1. Be responsible for the human resource management and general administration management for the entire enterprise. 2. Be responsible for the legal and intellectual property management for the entire enterprise.
Financial Management Center	1. Engage in the accounting and tax affairs, set up the budget, analyze the business, and prepare the financial statement. 2. Fund planning, long-term and short-term investment, foreign exchange hedging, and interbank transactions. 3. Services of stock affairs, investor and media relations management, and corporate governance operations.
Research and Development Center	Be responsible for product's research, development, design and technological application.
Business and Procurement Center	1. Plan the global marketing, promote the business and sales; push the global deployment as well as deepen the regions and channel market. 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. 3. Strategic purchase, price negotiation and enquiry for the market price of the components of electrons and mechanisms. 4. Enhance the Company's image, participate in exhibition, advertise, plan and implement.
Kapok Computer (Kunshan) Ltd.	1. Be responsible for planning and coordination of orders received from Taiwan as well as production and manufacture in China. 2. Analyze the production capacity and set up the plans of production and manpower according to the plans of production and sales. 3. Prepare the material plans according to production plans, and control the issuance of material orders to maintain the lowest inventory volume. 4. Establish the production system with high-flexibility, high-efficiency, high-quality and low-cost to meet the customers' demand. 5. Implement the on-site real time service to enhance the service quality for the customers.
Product Strategy Office	Be responsible for new products' development and market development's planning.
Information Technology	1. Plan and Implement the IT operation and e-operation, integrate the IT and communication. 2. Application of systemic plans and design as well as information security and management.

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

(I) Information for Directors and Supervisors

1.1 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 2, 2023

Title (Note 1)	Nationality/ Place of Registration	Name	Sex/ age (Note 2)	Date Elected (Assumed)	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	7.39%	21,371,784	3.38%	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, Epoque Group Chairman, Taipei Twin Towers Limited Chairman of Tua Tiann Co., Ltd.	-	-	-	-
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	1.59%	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 President, 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, 1992	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.	Director and President of Chicony Electronics Co., Ltd. Legal Representative Chairman of Chicony Power Technology Co., Ltd., Zhandu Communication Co., Ltd., and Youkang Electronics Co., Ltd. Legal Representative of Hipro Electronics (Taiwan) Co., Ltd.; Kuang Sheng Investment, Chicony Energy, Newmax, and SOE Co., Ltd. Director, Subsidiary of Chicony Overseas Group Director and Secretary, Chicony U.S.A. Director and General Manger, Chicony Electronics (Dongguan) Supervisor of Maorui (Dongguan) and Chicony (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 71~80 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 President, 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 2, 2023

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	(Note 3)	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	(Note 3)	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	(Note 3)	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	(Note 3)	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 4)	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 4)	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: President, Chinese Business, AON RISK SERVICES AUSTRALIA (SYDNEY) Director of AON RISK SERVICES HK, Chairman and CEO of AON RISK SERVICES TW (P12)	(Note 4)	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: The members of the board of directors did not have the provisions Article 26-3 of the Securities and Exchange Act (the directors have more than half of the seats with spouses or relatives within the second degree) Items 3 and 4 (between supervisors or between supervisors and directors, no Spouse, kinship within the second degree) occurs under the prescribed circumstances.

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 directors, the director's spouse, or any relative within two degrees hold any company shares or do so under the name of others as of April 2, 2023.
- (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 Policy and Independence:

(1) Board diversity

① Article 20 of the Company's Practical Guidelines on Corporate Governance stipulates the board diversity policy. The board members' nomination and election are executed according to the Company's Articles of Incorporation. The candidate nomination system is adopted. In addition to assessing each candidate's education, experience, and qualifications, the Company also refers to stakeholder feedback. The Procedures for Election of Directors and the Practical Guidelines on Corporate Governance are observed to the board diversity and independence.

All the current directors are Taiwanese citizens. In 2022, the directors, who were the Company's employees, accounted for 29% of the board. Independent directors also accounted for 43% of the board. Two independent directors have a 3 to 6 years tenure, one with a 6 to 9 years tenure. Two directors are above 70 years old, three are between 61 and 70 years old, and two are 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.	National Exam Certifications in line with the Company's business needs
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	71~80	3~6 years	V	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	V

Note: All of the Company's seven directors have the aforesaid background, experience and professional expertise. Among the directors, Kuntai Hsu, 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 specific management objectives of the Company's diversification policy and the current achievement status:

- (a) 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.
- (b) Achievements to date: The current board composition has achieved the diversity policy targets.

(2) 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, and Chiefs of Each Department and Branches

April 2, 2023

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	143,538	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 Opertation Center	None	-	-	-	-
Vice President	R.O.C.	Lin, Nan-Sheng	Male	September 2013	95,000	0.02%	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	139,311	0.02%	10,324	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	0	0.00%	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	45,825	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 President, deputy President, assistant vice president, supervisors of all departments and divisions, and the information for any position that is equivalent to the President, deputy President 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 President 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 of 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: NT\$ thousand

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
Chairman	Hsu, Kun-tai	0	0	0	0	8,200	8,200	560	560	8,760 1.06%	8,760 1.06%
Vice Chairperson 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	1,380	1,380	3,780 0.46%	3,780 0.46%
Independent Director	Chou, Po-Chiao										
	Chen, Tsung-Ming										
	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 financial statements	
				Cash amount	Amount of Stock	Amount of Cash	Amount of Stock					
Chairman	Hsu, Kun-tai	11,148	52,594	201	201	20,756	0	20,756	0	40,865 4.96%	82,311 9.98%	7,200
Vice Chairperson 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	3,780 0.46%	3,780 0.46%	None
Independent Director	Chou, Po-Chiao											
	Chen, Tsung-Ming											
	Lai, Ling-Ming											

- 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.
- 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)	Parent company and all reinvested businesses (Note 9) I
Under NT\$ 1,000,000				
NT\$ 1,000,000 ~ NT\$ 1,999,999	Lu, Jin-Zong / Chien, Yih-Long / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming	Lu, Jin-Zong / Chien, Yih-Long / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming	Lu, Jin-Zong / Chou, Po-Chiao / Chen, Tsung-Ming / Lai, Ling-Ming
NT\$ 2,000,000 ~ NT\$ 3,499,999	Hsu, Kun-tai / Tsai, Ming-Hsien	Hsu, Kun-tai / Tsai, Ming-Hsien		
NT\$ 3,500,000 ~ NT\$ 4,999,999				
NT\$ 5,000,000 ~ NT\$ 9,999,999			Hsu, Kun-tai	
NT\$ 10,000,000 ~ NT\$ 14,999,999			Chien, Yih-Long	Hsu, Kun-tai
NT\$ 15,000,000 ~ NT\$ 29,999,999			Tsai, Ming-Hsien	Chien, Yih-Long
NT\$ 30,000,000 ~ NT\$ 49,999,999				Tsai, Ming-Hsien
NT\$ 50,000,000 ~ NT\$ 99,999,999				
Over NT\$ 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: NT\$ thousand

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 financial statements	
								Cash amount	Amount of Stock	Amount of Cash	Amount of Stock			
Vice Chairman and President	Tsai,Ming-Hsien	14,715	25,093	1,250	1,250	4,333	50,459	33,950	0	33,950	0	54,248 6.58%	110,752 13.43%	3,600
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, Guan-Yen / Chen, Hsueh-Wen	
NTD 3,500,000 ~ NTD 4,999,999	Lin, Nan-Sheng / Li, Wen-Hua	Wu, Mai / Lin, Guan-Yen /
NTD 5,000,000 ~ NTD 9,999,999	Zhang, Fu-Ming	Li, Wen-Hua / Chen, Hsueh-Wen / Lin, Nan-Sheng
NTD 10,000,000 ~ NTD 14,999,999	Tsai, Ming-Hsien / Chien, Yih-Long	
NTD 15,000,000 ~ NTD 29,999,999		Chien, Yih-Long / Zhang, Fu-Ming
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 President 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-subsiary 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-subsiary 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: NT\$ thousand			December 31, 2022	
	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	43,091	43,091	5.23%
	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 the 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	2021				2022			
	Total Remuneration (NT\$ thousand)		Ratio to Net Income (%)		Total Remuneration (NT\$ thousand)		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)	24,240	24,240	1.35%	1.35%	12,540	12,540	1.52%	1.52%
Presidents and Vice Presidents (Note 2)	50,535	104,517	2.81%	5.82%	43,176	101,803	5.24%	12.35%
Total	74,775	128,757	4.16%	7.17%	55,716	114,343	6.76%	13.87%

Expense of Share-Based Payment (Note 3)	0	0	0%	0%	0	0	0%	0%
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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. 2 of IFRSs.

2. Correlation between remuneration payment policies, standards, and combinations; remuneration setting procedures; business performance; and future risks:

- (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 important decisions of the Company's management level are made after balancing various risk factors. The performance of relevant decisions is reflected in the Company's profit status, and the management level's remuneration is related to the risk control performance. The remunerations for directors and managers in 2022 shall be submitted to the Board of Directors' meeting for approval after deliberation by the Remuneration Committee.

IV. Implementation of Corporate Governance

(I) Information of the Board of Directors Operation

The Board of Directors held 9 (A) meetings in 2022. The attendance of the director was as follows:

Title	Name (Note 1)	Attendance in Person (B)	No. of attendance by proxy	Attendance Rate (%) 【B/A】 (Note 2)	Remark
Chairman	Hsu, Kun-tai	9	0	100%	
Director	Tsai, Ming-Hsien	9	0	100%	
Director	Chien, Yih-Long	9	0	100%	
Director	Lu, Jin-Zong	9	0	100%	
Independent Director	Chou, Po-Chiao	9	0	100%	
Independent Director	Chen, Tsung-Ming	7	1	78%	
Independent Director	Lai, Ling-Ming	9	0	100%	

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: 2022.02.25

Name of Director: Hsu, Kun-Tai

Proposal: The Company's plan to cooperate with Epoque Group.

Causes for recusal: Chairman Hsu, Kun-Tai was an interested party and was recused due to the interesting relationship. Vice-chairman Tsai, Ming-Hsien was publicly recommended as the chairman of the case.

Voting participation status: Except for Chairman Hsu, Kun-Tai, who was recused from discussion and voting due to a conflict of interest, all other directors agreed with the proposal without any objection.

◆ Board meeting date: 2022.02.25

Name of Director: Hsu, Kun-Tai

Proposal: Lease office buildings and parking spaces from the related party Epoque Group.

Causes for recusal: Chairman Hsu, Kun-Tai was an interested party and was recused due to the interesting relationship. Vice-chairman Tsai, Ming-Hsien was publicly recommended as the chairman of the case.

Voting participation status: Except for Chairman Hsu, Kun-Tai, who was recused from discussion and voting due to a conflict of interest, all other directors agreed with the proposal without any objection.

◆ Board meeting date: 2022.05.20

Name of Director: Hsu, Kun-Tai

Proposal: The Company's plan to cooperate with Hua Tai Investment.

Causes for recusal: Chairman Hsu, Kun-Tai was an interested party and was recused due to the interesting relationship. Vice-chairman Tsai, Ming-Hsien was publicly recommended as the chairman of the case.

Voting participation status: Except for Chairman Hsu, Kun-Tai, who was recused from discussion and voting due to a conflict of interest, all other directors agreed with the proposal without any objection.

◆ Board meeting date: 2022.06.29

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

Proposal: Distribution of 2021 remuneration to directors

Reason for recusal due to conflict of interest: Chairman Kuntai Hsu, Vice 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. Kuntai Hsu, 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: 2022.06.29

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

Proposal: Distribution of 2021 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: 2022.06.29

Director: Tsai, Ming-Hsien, Chien, Yih-Long

Proposal: Distribution of 2021 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.

Participation in 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: 2022.07.15

Name of Director: Hsu, Kun-Tai and Tsai, Ming-Hsien

Proposal: Capital increase of NT\$250 million in Taipei Twin Towers Limited.

Causes for recusal: Chairman Hsu, Kun-Tai and Vice-chairperson Tsai, Ming-Hsien were interested parties and were recused due to the interest relationship. Director Lu, Jin-Zong was publicly recommended as the chairman for the case.

Participation in Voting: Except the directors (Mr. Hsu, Kun-Tai and Tsai, Ming-Hsien) 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.

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	2022/01/01 to 2022/12/31	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	2022/01/01 to 2022/12/31	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	2022/01/01 to 2022/12/31	Functional Committees (Audit Committee, Remuneration Committee, and Corporate Governance Committee)	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. (4) Composition of the functional committee and selection of members (5) Internal control.
Conduct once every three year	2022/01/01 to 2022/12/31	The Board of Directors and Functional Committees	Commissioned the "Taiwan Institute of Ethical Business" to conduct an external assessment	(1) Professional capabilities. (2) Effectiveness of decision-making. (3) Internal control. (4) Sustainable development.

(2) The Company's board, individual directors, and functional committees have completed the internal and external self-assessments for 2022. The assessment results were presented to the Board of Directors on March 15, 2023, as shown on pages 39-42.

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. Lai, Ling-Ming serve as the committee members. The Corporate Governance Committee submitted its 2023 implementation plan for the board's approval on November 10, 2022. The overall functioning was healthy and effective in contributing to the board's performance.

(II) Effectiveness assessment of the board and functional committees

The Company has completed the internal and external performance review of the Board of Directors and the functional committees for 2022. The assessment results were presented to the Board of Directors on 2023.03.15 to enhance the board's effectiveness. The board's overall functioning was robust. The assessment results are available on pages 39-42.

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 the 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, fund loan or endorsement guarantee, 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.

2022 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). It reviews the regular reports (including those on risk management and compliance) by the Company's audit department, CPAs, and 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 14th meeting of the first Audit Committee on March 28, 2022, 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 attestation auditors.

The Audit Committee held a total of 7 (A) meetings in 2022. The attendance of the independent directors was 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	7	0	100%	
Independent Director (Member of the Audit Committee)	Chen, Tsung-Ming	5	1	71%	
Independent Director (Member of the Audit Committee)	Lai, Ling-Ming	7	0	100%	

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) Issues listed in Article 14-5 of the Securities Exchange Act:

Baord of Directors	Contents of motion and the follow-up measures	Matters listed by Article 14-5 of the Securities and Exchange Act	Any resolution that was not approved by the Audit Committee but approved by two-thirds or more of all directors
2022 First on 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	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.02.25.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Second on 2022.03.28	1. Approved the Company's finalized account and business report for 2021 2. Approved the Company's distribution of 2021 earnings 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." 4. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 5. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 6. Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements 7. Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions 8. Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates 9. 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 V V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.03.28.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Third on 2022.05.11	Approved the Company's consolidated financial statements for the first quarter of 2022.	V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.05.11.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Sixth on 2022.07.15	1. Passed the Company's proposal to invest and establish a project company with Kindom Construction Corp. and Hua Tai Investment. 2. Passed the capital increase of NT\$250 million in Taipei Twin Towers Limited.	V V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.07.15.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Seventh on 2022.08.12	1. Approved the Company's consolidated financial statements for the second quarter of 2022.	V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.08.12.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Eighth on 2022.09.23	1. Passed the disposal of real property for Quanzhou Buynow Corporation, a subsidiary of the Company.	V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.09.23.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		
2022 Ninth on 2022.11.10	1. Approved the Company's consolidated financial statements for the third quarter of 2022. 2. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." 3. Approved the Company's 2023 audit proposal.	V V V	None
	The resolution result by the Audit Committee: Passed by all Audit Committee members present on 2022.11.10.		
	The Company's handling process based on the opinions of the Audit Committee was passed by all the directors present.		

Please refer to page 29 for all proposals of the Audit Committee in 2022.

(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.

(III) Please refer to page 30 for the communication among independent directors, internal auditors, and CPAs in 2022.

Note 1: In case of the departure of any independent director before the year-end, it is necessary to provide the departure date in the "Remark" column. The attendance rate (%) is calculated with the number of Audit Committee meetings and the number of attendances during the tenure.

Note 2: In case of the departure of any independent director before the year-end, it is necessary to provide the departure date in the "Remark" column. The attendance rate (%) is calculated with the number of Audit Committee meetings and the number of attendances during the tenure. 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.

2022 Audit Committee Meeting Minutes Summary:

Second on 2022

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Proposal	Independent Director			Remark
					Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
1	4	2022.02.16	2022.02.25	<ol style="list-style-type: none"> 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, Ma Chiu, Shu-Juan Lin, Bo-Wei
2	5	2022.03.17	2022.03.28	<ol style="list-style-type: none"> 1. Implementation of the matters decided by the 3rd and 4th 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
3	6	2022.05.03	2022.05.11 (Video Conference)	<ol style="list-style-type: none"> 1. Implementation of the matters decided by the 5th 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 Chiu, Shu-Juan Wu,Han-Qi
4	7	2022.07.07	2022.07.15 (Video Conference)	<ol style="list-style-type: none"> 1. Passed the Company's proposal to invest and establish a project company with Kindom Construction Corp. and Hua Tai Investment. 2. Passed the capital increase of NT\$250 million in Taipei Twin Towers Limited. 	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan
5	8	2022.08.04	2022.08.12	<ol style="list-style-type: none"> 1. Implementation of the matters decided by the 6th and 7th meetings of the second Audit Committee 2. Report on internal audit of business. 3. Approved the Company's consolidated financial statements for the second quarter of 2022 	V	Lai, Ling-Ming as proxy	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu,Han-Qi
6	9	2022.09.15	2022.09.23 (Video Conference)	<ol style="list-style-type: none"> 1. Passed the disposal of real property for Quanzhou Buynow Corporation, a subsidiary of the Company. 	V	V	V	Wu, Mai Yu-Shiuan Hsu Chiu, Shu-Juan Wu,Han-Qi
7	10	2022.11.01	2022.11.10	<ol style="list-style-type: none"> 1. Implementation of the matters decided by the 8th and 9th 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 2022. 4. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." 5. Approved the Company's 2023 audit proposal. 	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu,Han-Qi

Summary of meetings among independent directors, internal auditors, and CPAs in 2022

Date	Subject	Communication matters	Independent directors in attendance	Communication personnel	Communicate results
2022/3/28 The Audit Committee	1. The internal auditors described the implementation from November 2021 to February 2022 according to the audit plan. They 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 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 2022.	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.
2022/5/11 The Audit Committee	1. The Company's consolidated financial statements proposal for the first quarter of 2022.	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.
2022/8/12 The Audit Committee	1. Reported by the internal auditors until July. The results will be improved according to the annual audit plan implementation, the investigation, and suggestions for improvement. The originally scheduled in-person reporting on "Inspection on Investment in China – property development and Quality Trust Property Management in 2022" was changed into a document presentation, as the auditors could not 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. In March 2022, the company moved to a new office location. Some parts of the operation and the original internal control system are not applicable. It has been discussed with relevant departments for revision and is scheduled to be completed before the end of the year.	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 consolidated financial statements proposal for the second quarter of 2022.	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.
2022/11/10 The Audit Committee	1. Internal auditors presented the implementation of the audit plan and follow-ups of improvement measures until the end of the second quarter. 2. Submit the 2023 annual audit plan and the internal control revision instructions for the production and property, plant, and equipment cycles. 3. Directors and internal auditors exchanged thoughts on the above reported items.	1. The audit unit submitted the 2023 audit plan for the Company. The audit items were determined based on the risk assessments and considerations conducted according to 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 of the operating efficacy and efficiency. 2. 2023 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 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 consolidated financial statements proposal for the third quarter of 2022.	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.

(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				The Company has currently executed according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” without any difference.
(I) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	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) 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?	V		(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) Does the Company establish and execute the risk control/management and firewall system with its affiliates?	V		(III) Each affiliate operates independently and establishes various rules according to the management regulations of the competent authority. The transactions with affiliates shall be conducted according to the relevant rules.	
(IV) Does the company establish internal rules against the Company's insiders trading of the securities with undisclosed information in the market?	V		(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.	
III. Composition and Responsibilities of the Board of Director				The Company has currently executed according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” without any
(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 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	

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>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 pages 14~15 of the annual report for implementing 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. Lai, Ling-Ming serve as the committee members. The Corporate Governance Committee submitted its 2023 implementation plan for the board's approval on November 10, 2022. Please refer to page 38 (Note 1) of the annual report for the Corporate Governance Committee's implementation status.</p> <p>To strengthen the information security organization structure, the Company established the Information Security Management Committee in December 2020 and established the Information Security Division as an independent unit in January 2023. The Information Security Management Committee has the Information Security Division and the Information Division under its jurisdiction, which coordinates information security-related policy formulation, implementation, risk management, and compliance inspections. The top executive of the Information Security Division shall report the information security management performance issues and directions to the Audit Committee and the Board of Directors once every six months.</p>	difference.
(III) Does the Company establish the "Regulations Governing the Board Performance assessment" and its methods of	V		(III) To fulfill corporate governance, the Company referred to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	

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>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?</p> <p>(IV) Does the Company evaluate the independence of the CPAs regularly?</p>	V		<p>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 2022 covering five major aspects. In 2022, an external professional independent organization, the "Taiwan Institute of Ethical Business," was appointed to perform the performance evaluation of the Board of Directors. The internal and external evaluation results were submitted in the Board of Directors report on 2023.03.15. Please refer to the annual report page 39-42 (Note 2) for the performance evaluation results. 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> <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. In addition to requiring the CPAs to provide a "Statement of Detachment and Independence," the Company's Audit Committee also 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 a breach of No. 10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountants of the Republic of China and Article 47 of the Certified Public Accountant Act. It seeks to confirm whether external accountants are involved in financial benefits or business relations other than auditing the Company's financial statements and tax filings. The assessment also inspects whether the external accountants have a conflict of interest by serving as the Company's directors, managers, or shareholders or receiving salaries from the Company. The Company's assessment confirmed the independence of external accountants. On March 15, 2023, the Company's CPA reported to the Audit Committee on the audit quality indicators (AQIs) related matters. After the Audit Committee reviewed the independence and eligibility, the evaluation results were submitted to the board of directors for approval on March 15, 2023. We are certain that the CPAs are competent and independent. Please refer to page 43 of the annual report (Note 3) for the assessment criteria.</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	
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		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, Ma, Vice President of the Financial Management Center, as Officer of Corporate Governance. She has over three years of management experience with public companies in law, finance, or shareholder services. She has selected and completed 12 hours of annual 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 44 (Note 4) for the primary responsibilities, functioning, and continuing education in 2022.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
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		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 https://www.clevo.com.tw/ 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. The Company's 2021 stakeholder communication results were submitted to the Board of Directors on June 29, 2022. The 2022 stakeholder communication results will be submitted in the Board of Directors report during the second half of 2023.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
VI. Does the Company appoint a professional stock agency to deal with shareholders' meeting affairs?	V		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.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
VII. Information Disclosure				
(I) Does the Company have a corporate website to disclose the financial activities and the information of corporate governance?	V		(I) We have constructed a website at https://www.clevo.com.tw/ and established the investor relations section. The contents include company news and activities, corporate governance information, the Company's management guidelines and financial/ shareholder service information.	The Company has currently executed according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without any difference.
(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.)?	V		(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 https://www.clevo.com.tw/ .	
(III) Does the Company announce and declare the annual	V		(III) The Company had announced and declared the annual financial report	

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	
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?			(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. 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 2022 financial statements were published and filed on March 15, 2023.	
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 & 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 & 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 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</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>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 coverage until May 15, 2023. The sum insured coverage and liability insurance premiums for directors have been reported to the Board of Directors. The new insurance policy from 2023.05.15 to 2024.05.15 will be reported to the next Board of Directors meeting.</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 2022 was 96.8%. The Company has filed online the attendance of directors on a timely basis. Please refer to page 24 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 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 annual training classes on corporate governance, securities laws, and taxation. In addition, the Company has dedicated personnel for collating relevant legal and regulatory information; such information is summarized and submitted to the directors and the Audit Committee. Please refer to page 45 (Note 5) for the continuing education of the Company's directors and managers in 2022. 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 https://mops.twse.com.tw/mops/web/index.</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>(I) The total score of the Company's 2022 corporate governance evaluation results: 96.52. It improved by 3 points compared with the previous year, ranking among the top 6%~20% of listed companies for three consecutive years. The improvement items compared with 2021 are as follows:</p> <ol style="list-style-type: none"> 1. The Company has been issuing major announcements in English simultaneously. 2. Regularly report communications with stakeholders to the Board of Directors. 3. Regularly report ESG Implementation to the Board of Directors. <p>(II) Improvements in the non-conformities identified in the 2022 corporate governance evaluation:</p>				

Evaluation Item	Implementation Status (Note)		Abstract Illustration	The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
1. A shareholder meeting is scheduled before the end of May 2023.				
(III) Priority improvements and measures proposed to address outstanding issues:				
1. Plan the Company's intellectual property management plan specifications. We expect to apply for the Taiwan Intellectual Property Management System (TIPS) certification in the second half of 2023.				
2. Plan the Task Force on Climate-related Financial Disclosures (TCFD) framework. We anticipated to disclose information regarding the Company's climate-related risks and opportunities on the company's website in the second half of 2023.				
3. The 2022 Sustainability Report referenced the Listed companies prepare and declare ESG report operation method to disclose relevant ESG information.				

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 2022 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:

Second Audit Committee

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director		Independent Director			Remark
					Tsai, Ming-Hsien	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	
1	3	2022.03.17	2021.03.28	1. Proposal for the Company's 2021 corporate governance implementation status report. 2. Passed the Company's "Corporate Governance Best Practice Principles" amendment proposal. 3. Passed the proposal to formulate the Company's "Management and Operating Procedures for Preparation of Financial Statements." 4. Passed the proposal to formulate the Company's "Management and Operating Procedures for Related Party Transactions." 5. Passed the proposal to formulate the Company's "Operational Regulations Governing Financials and Businesses Among Affiliates." 6. Passed the company's 2021 internal control system proposal and issued an internal control system statement according to the self-assessment results.	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan
2	4	2022.11.01	2022.11.10	1. Implementation of the matters decided by the 3rd meeting of the 2nd Corporate Governance Committee. 2. Report on the Company's 2023 audit plan. 3. Approved the committee's 2023 implementation plan proposal. 4. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies."	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan
3	5	2023.03.07	2023.03.15	1. Proposal to report the 2022 corporate governance implementation status. 2. Implementation of the matters decided by the 4th meeting of the 2nd Corporate Governance Committee. 3. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies."	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan

Note 2: 2022 performance assessments of the Board of Directors and functional committees

CLEVO CO.

2022 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 assessment in 2022 is divided into internal self-assessment and external assessment. The external assessment part was commissioned and handled by the external professional independent organization "Taiwan Institute of Ethical Business," completed on 2023.03.14. The implementation status and results of the relevant evaluation are as follows:

One. Internal Self-assessment

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:

(I) 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 indicators. The average attendance of directors in 2022 was 96.8%. 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 2022 was 4.87 (out of the perfect score of 5). The Board of Directors generally functioned well, in line with corporate governance requirements.

Five major self-assessments	Assessment subjects	Assessment results
A. Participation level for the Company's operations	12 Items	4.75 points
B. Enhancing the decision quality for the board	12 Items	4.92 points
C. Composition and structure of the Board of Directors	7 Items	5.00 points
D. Directors' election and continuous education	7 Items	4.86 points
E. Internal control	7 Items	4.86 points

(II) Self-assessment by individual directors:

The assessment of board members covers six aspects and 23 indicators. Seven directors in service filled in the self-assessment questionnaires, and all seven were recovered. The overall score averaged 4.91 points between Excellent (5 points) and Good (4 points). It shows that all directors positively comment on the execution performance for various indicators. To further strengthen the functions of the Board of Directors, the directors provided the opinions and suggestions as follows: Independent Director Lai, Ling-Ming:

1. Advised and assisted in arranging legal general knowledge courses on directors' responsibilities.
2. Advance preparation on ESG-related issues such as carbon emissions and carbon rights trading.
3. Advance preparation for risk management issues.

Six aspects for self-assessments	Assessment subjects	Assessment results
A. Mastery of company goals and tasks	3 Items	5.00 points
B. Acknowledgement of	3 Items	5.00 points

directors' duties and responsibilities		
C. Participation level for the Company's operations	8 Items	4.79 points
D. Management and communication of internal relations	3 Items	4.95 points
E. Professionalism and continued education of directors	3 Items	5.00 points
F. Internal control	3 Items	4.95 points

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

The performance review of the Audit Committee covered five aspects and 22 indicators. The result consisted of 21 indicators for "Excellent" (5) and 1 for "Good" (4). The average score for performance reviews in 2022 was 4.95 points (vs. a full mark of 5.0). This indicates a robust working of the Audit Committee, in line with corporate governance requirements and effectively contributing to the board's functioning.

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

(IV) 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 17 indicators and Good (4) for one indicator. The average score in 2021 was 4.95 (out 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 Items	4.50 points
B. Understanding of the functional committee's responsibilities.	5 Items	4.80 points
C. Improvement of decision-making quality of functional committees.	7 Items	5.00 points
D. Composition of the functional committee and selection of members	3 Items	5.00 points

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

The performance review of the Remuneration Committee covered four aspects and 18 indicators. The result consisted of 17 indicators for "Excellent" (5) and 1 indicator for "Good" (4). The average score for performance reviews in 2022 was 4.94 points (vs. a full mark of 5.0). The overall operation of the Corporate Governance Committee is sound.

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

Two. External Assessment:

Evaluation agency: Taiwan Institute of Ethical Business

Executive members: Ching-Ping Shao, Yang-Tsong Tsai, Chao-Sheng Chiang

This assessment report includes 4 aspects: professional functions, decision-making effectiveness, internal control, and sustainable development. They are used to evaluate the performance of the Board of Directors and functional committees. The evaluation questionnaire is divided into "Evaluation

Questions" and "Feedback." For "Evaluation Questions," the respondents answer the questions based on the situation described in each question. A score of 5 to 1 is given according to the level of differences: "Achieve satisfaction at all times," "Achieve satisfaction in most situations (above average)," "Achieve satisfaction sometimes (average)," "Occasionally achieve satisfaction (below average)," "Rarely achieve satisfaction." The evaluation results are summarized as follows:

(I) The questionnaire survey results for the seven directors of the Board of Directors showed an average score of 4.95 points (out of 5 points). The individual directors believed that the Board of Directors was operating well in the following aspects:

1. Good communication.
2. Sound financial and audit management.
3. Very clear direction for the Company's operations.
4. Prompt communication.

(II) The questionnaire survey results for the functional committees are as follows:

1. Audit Committee averaged 4.96 out of 5.0.
2. Remuneration Committee averaged 4.96 out of 5.0.

Feedback from individual directors: Salary assessments in the appropriate industrial market can be conducted to determine whether the salary level of the Company's professional managers is market-competitive or too low.

3. Corporate Governance Committee averaged 4.95 out of 5.0.

Conclusion and suggestions:

According to the meeting minutes of the Board of Directors meeting provided by the assessed company and the internal regulations regarding corporate governance, as well as referring to the answers to the written questionnaire by the directors of the assessed company and the interviews of individual directors, the description of the observed conclusion and suggestion for improvement for the operations of the Board of Directors of the assessed company are as follows:

(I) Strengthen the Board of Directors and functional committees' meeting minutes

A review of the assessed enterprise's Board of Directors' and functional committees' meeting minutes showed no record of speeches made by the directors or members of the functional committees. According to interviews, the Board of Directors and functional committees of the assessed enterprise communicated smoothly, and there were sufficient discussions on various proposals before or during the meeting. However, the meeting minutes showed insufficient records during the discussions.

To make it easier for the Board of Directors and various functional committees to review the past decision-making records reference prior experience, it is advised that the discussion content in the meeting be selected and recorded promptly.

(II) Strengthen the communication density between managers and non-operating team directors

Some interviewed directors mentioned that although the Board of Directors communicates smoothly, it is difficult for management team directors to have a clear grasp of the assessed enterprise's operations due to its relatively large scale and complex business operations. In this regard, it is suggested that the management team of the assessed enterprise should organize the discussion and evaluation points of the proposal and communicate with directors who are not involved in daily operations separately in advance, depending on the complexity of the proposal, to give them a deeper understanding of the proposal's background and evaluation factors.

Secondly, after the assessed enterprise has communicated with the members of the Board of Directors who are not involved in daily operations in advance, the management team can summarize the questions or suggestions raised by the directors separately so that other directors are also aware of the concerns of different directors in advance. The goal is to give the directors a more consistent understanding of each proposal, increasing the discussion efficiency.

Furthermore, regarding other corporate practices, independent directors can be invited to participate in the manager team's annual or quarterly strategic meetings to better understand the manager team's daily operation assessment and discussions and contribute to the risk management supervision-related proposals.

(III) Establish and execute the integrated risk management mechanism

Enterprise Risk Management (ERM) is essential to corporate governance. Its connotation is not limited to risks such as sales, inventory, and collection but can also cover risk management in different aspects such as R&D, information security, and sustainability.

The directors and independent directors of the assessed enterprise have professional backgrounds in industry, management, accounting, risk control, etc. They can advise the management team professionally, enhancing the assessed enterprise's resilience against market risks. Although the assessed enterprise currently adopts a stable and conservative attitude and reduces risks by controlling funds and transaction partners, the risk assessments proposed by the managers of each department are based on the judgments and assessments proposed by their respective business content, which may not fully cover the overall potential risks in light of the

diverse risk categories. The assessed enterprise may consider establishing an integrated risk management unit, such as a risk management committee affiliated with the Board of Directors, to facilitate complete risk monitoring and management while upgrading the relevant risk management to overall and institutional control.

(IV) Strengthen the risk control of subsidiaries in mainland China

The interviewed directors indicated that due to geographical restrictions on the internal control implementation of subsidiaries in mainland China, the assessed enterprise has to rely on the explanations of the audit and financial departments. Their grasp is less comprehensive than that of the headquarters. In addition, due to the limited human resources stationed overseas, the subsidiaries' supervisors in mainland China tend to be localized gradually. So talent cultivation in China has also become an important issue.

In this regard, it is suggested that the assessed enterprise should strengthen the frequency and density of communication with its subsidiaries in mainland China and deepen the interaction. The goal is to understand the daily operation status and potential operational risks of the subsidiaries and encourage the subsidiaries to share the same corporate culture and values as the assessed enterprise. Regarding human resource localization in China, the connection with the headquarters' human resources can also be deepened depending on the specific situation. Appropriate personnel training can be supplemented to strengthen the assessed enterprise's overall human resource management performance.

(V) Continuously review whether the reward mechanism and talent performance evaluation standards are sound

Talent cultivation and human development are essential to the sustainable operation of enterprises and one of the key ESG values. Establishing transparent and appropriate performance measurement standards and employee rewards mechanisms is crucial to talent cultivation and human development.

The interview results showed that the assessed enterprise's directors seem to be doubtful about whether the current reward system has considerable industrial competitiveness. Since there is no standard for reward system design, we must pay attention to the scale of the reference subject and whether the industry is comparable when comparing the reward mechanism with peers. It is recommended that the assessed enterprise hold in-depth discussions to determine the characteristics of required talent according to corporate culture and strategic goals and evaluate whether the current reward system meets the needs of the enterprise before creating a reward system to help achieve the enterprise's strategic goals.

In sum, the assessed enterprise should start from the corporate culture perspective and strategic goals to discuss the talent needs, appropriate rewards, and performance evaluation standards so that the reward system and evaluation standards can align with the enterprise's needs. The goal is to develop more detailed and clear operating standards to increase the evaluated enterprise's attractiveness to the talents they need, thereby strengthening the industrial competitiveness. .

Three. The Company's Board of Directors and functional committees under the board performed well in 2022. They properly assessed and supervised the Company operations and corporate governance. All directors kept good attendance and fully exercised their expertise. To improve the Board of Directors functions and continue to strengthen its policies, the Board of Directors shall incorporate the suggestions from individual directors and external organizations and develop relevant improvement solutions or plans.

Four. The preceding internal and external performance evaluations of the Board of Directors, individual directors, and functional committees for 2022 were presented to the Board of Directors on March 15, 2023.

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, Ma, Vice President of Financial Management Center, to serve as Officer of Corporate Governance. Vice President Wu, Ma 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. Business execution status in 2022:

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 status in 2022:

In adherence to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, Vice President Wu, Ma completed 14 hours of training in 2022 concerning 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	Number of Hours of Education Hours of Education
From	To			
2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
2022/12/05	2022/12/05	Accounting Research and Development Foundation	Common Deficiencies in Corporate Financial Report Preparation and Compliance with Internal Audit and Internal Control Laws and Regulations	6
2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4

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	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Vice Chairperson and President	Tsai, Ming-Hsien	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Director	Lu, Jin-Zong	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Director and Executive Vice President	Chien, Yih-Long	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Independent Director	Chou, Po-Chiao	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/08/30	2022/08/30	Taiwan Corporate Governance Association	Evaluate M&A Investments from a Legal Perspective	3
		2022/10/19	2022/10/19	Taiwan Corporate Governance Association	The 18th (2022) Corporate Governance Summit Forum---Improving Directors' Functions and Corporate Governance Implementation	3
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Independent Director	Chen, Tsung-Ming	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Independent Director	Lai, Ling-Ming	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Ma	2022/02/11	2022/02/11	HR Department of CLEVO CO.	ESG Sustainable New Economy	2
		2022/11/10	2022/11/10	HR Department of CLEVO CO.	Description of Liability Insurance for Directors, Supervisors, and Key Employees	2
		2022/12/05	2022/12/05	Accounting Research and Development Foundation	Common Deficiencies in Corporate Financial Report Preparation and Compliance with Internal Audit and Internal Control Laws and Regulations	6
		2022/12/07	2022/12/07	Taiwan Corporate Governance Association	Grasp the Global Economic Trends and the Pulse Of Science and Technology - Key Issues for Enterprises	4

- (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:

December 31, 2022

Position (Note 1)	Criteria Full name	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
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: President, 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 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 paragraphs 5 ~ 8 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 2, 2023.
- (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

- (1) 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:

- ① Regularly review the "Remuneration Committee Charter" and provide the recommendation of the amendment.
- ② 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.
- ③ 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.

- (2) While fulfilling the duties stated in the preceding paragraph, the following principles shall be followed:

- ① Ensure the arrangement of the Company's remuneration complies with the relevant laws and it is sufficient to attract the excellent talents.
- ② 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.
- ③ 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.
- ④ 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.
 - ⑤ The committee members shall not be involved in the discussing and voting the determination of their personal remuneration.
- (3) 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.
 - (4) 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: August 26, 2021, to August 25, 2024. Three meetings were convened by the Remuneration Committee (A) in 2022. Attendance by committee members is as follows:

Title	Full name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remark
Convener	Chou, Po-Chiao	3	0	100%	
Member	Chen, Tsung-Ming	2	0	67%	
Member	Lai, Ling-Ming	3	0	100%	
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/tw/investment/investment_internal_policies					

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	Explanation of Subject	Chou, Po-Chiao	Chen, Tsung-Ming	Lai, Ling-Ming	Resolution results	The company's process on the remuneration committee	Attendance Without Voting Rights
1	2	2022.01.06.	2022.01.20 (Video Conference).	Review of year-end bonuses to managers for 2021	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	3	2022.03.17	2022.03.28	Review of the amount of remunerations to directors and employees for 2021	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	4	2022.06.17	2022.06.29 (Video Conference).	1. Review of the Company's 2021 remuneration to directors 2. Review of the Company's 2021 remuneration to the independent director [Chou, Po-Chiao] 3. Review of the Company's 2021 remuneration to the independent director [Chen, Tsung-Ming] 4. Review of the Company's 2021 remuneration to the independent director [Lai, Ling-Ming] 5. Review of remuneration to managers and employees for 2021	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	5	2023.01.04	2023.01.12 (Video Conference)	1. Review of year-end bonuses to managers for 2022	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lin, Bo-Wei
5	6	2023.03.07	2023.03.15	1. Review of the amount of remunerations to directors and employees for 2022 2. Review of the Company's 2022 remuneration to directors 3. Review of the Company's 2022 remuneration to the independent director [Chou, Po-Chiao] 4. Review of the Company's 2022 remuneration to the independent director [Chen, Tsung-Ming] 5. Review of the Company's 2022 remuneration to the independent director [Lai, Ling-Ming]	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Lin, Bo-Wei

4. Composition, responsibility and functioning of the Nomination Committee

The Company has not yet set up a nomination committee as of the publication date of this annual report. It plans to establish a nomination committee in the future according to needs.

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

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
	Yes	No		
I. 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 has established a CSR work team since 2016 to implement its sustainable development policies. On November 10, 2022, the original CSR work team was renamed the Sustainable Development Work Team, the responsible unit for Clevo's sustainable development management. The president serves as its convener. The work team is responsible for formulating sustainable development policies, system establishment, and design for related management policies. It leads the subgroups and various departments of the Company to implement Clevo's operating procedures.</p> <p>The Sustainable Development Work Team is responsible for compiling and publishing the sustainable development report. The Board of Directors shall authorize the high-level executives to handle related matters, and they shall report the implementation status to the Board of Directors at least once a year. The Sustainable Development Work Team is divided into 5 divisions according to the field. They include corporate governance, customer care, environmental sustainability, employee care, and social welfare. Its organizational structure and responsibilities are as follows:</p> <pre> graph TD Board[Board of directors] --> Convener[Convener (President)] Convener --> PM[Project Management Director of Human] Convener --> CGT[Corporate Governance Team (Vice President Wu, Mai)] Convener --> CCT[Customer Care Team (Senior Vice President Zhang, Fu-Ming)] Convener --> EST[Environmental Sustainability Team (Executive Vice President Chien, Yih-Long)] Convener --> ECT[Employee Care Team (Director Lin, Bo-Wei)] Convener --> SWT[Social Welfare Team (Executive Vice President Chien, Yih-Long)] CGT --- CGT_Resp["Ethical Management Organization Strategy Legal Compliance Protect Shareholders' Equity Information Transparency Internal control Risk management"] CCT --- CCT_Resp["Goods and Services Liability Customer Data Confidentiality Consumer Rights and Interests Protection Customer Relationship Maintenance"] EST --- EST_Resp["Policy and Advocacy Green Supply Chain Management Green Product R&D Innovation Promote Energy Saving and Carbon Reduction Management Climate Change Adaptation Management"] ECT --- ECT_Resp["Diverse Talents Labor Rights Remuneration and Benefits Labor management relations Friendly Workplace Talent Cultivation Safe Workplace"] SWT --- SWT_Resp["Social Care Community Participation Charitable Events Corporate Image"] </pre> <p>The sustainable development team reported the sustainable development implementation status for 2021 to the board of directors on</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													
			June 29, 2022, and plans to report the implementation status for 2022 to the board of directors in the second half of 2023. The board of directors can review the strategy progress through the annual implementation report and compel the management team to make adjustments when necessary.													
II. Does the Company apply the materiality principle to the assessment of environmental, social and corporate governance issues regarding its operations and formulate relevant risk management policies or strategies accordingly? (Note 2)	V		<p>The Company has regularly examined the material problems yearly according to the materiality principle and referencing the generally accepted report preparation requirements. The goal is to determine the content and priority of each topic by referencing research reports, checking literature, and communicating with internal and external experts in order to conduct risk assessments, propose corresponding strategic recommendations, and formulate annual work plans. The following major management policy topics have been disclosed in the sustainability report:</p> <p>This disclosure information covers the Company's sustainable development performance on its main bases from January 2022 to December 2022. The risk assessment boundary is mainly based on the Company, the relevance to the industry's operations, and the degree of impact on major topics. The scope also includes Kapok Computer (Kunshan) Co., Ltd., a production base subsidiary. :</p> <table border="1"> <thead> <tr> <th>Major issues</th> <th>Risk assessment</th> <th>Note</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td> <ul style="list-style-type: none"> Response to Climate Change Greenhouse Gas and Energy Management </td> <td> <ul style="list-style-type: none"> The Company's potential climate change risks are mainly at the environmental and operational levels. The Company has established the "Energy Resource Management Operating Procedures" as the operational requirement guideline for energy resource consumption, conservation, and carbon reduction and introduced an environmental management system. We have obtained the ISO 14001 environmental management system certification and regularly monitored and improved energy resource consumption to reduce environmental impact and prevent environmental pollution. </td> </tr> <tr> <td>Social/ Employee</td> <td> <ul style="list-style-type: none"> Employee Welfare Employee Education and Training Occupational Health and Safety </td> <td> <ul style="list-style-type: none"> The Company is people-centric and employees are important partners to us. We believe that a positive and active workplace culture is only possible with happy and healthy employees, and this enhances work efficiency and retain suitable talents. Each year, the Company has considered its current strategic goals and the training needs proposed by various departments and referenced the "Talent Training and Development Roadmap" to formulate rich and diverse courses for each rank and job function to gradually improve the personal competitiveness of students. The Company greatly emphasizes the corporate culture of environmental safety and health. We impose a zero-hazard rule and require ongoing examinations and improvements to improve environmental safety and health through regular audits by the Environmental Safety and Health Committee. The goal is to give employees a comfortable and safe environment to work in. </td> </tr> <tr> <td>Governance / Economy</td> <td> <ul style="list-style-type: none"> Corporate governance </td> <td> <ul style="list-style-type: none"> Clevo adheres to the fundamental corporate governance principles, adopts governance practices of the highest standard, and chooses board members by </td> </tr> </tbody> </table>	Major issues	Risk assessment	Note	Environment	<ul style="list-style-type: none"> Response to Climate Change Greenhouse Gas and Energy Management 	<ul style="list-style-type: none"> The Company's potential climate change risks are mainly at the environmental and operational levels. 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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	
			<ul style="list-style-type: none"> • Legal Compliance • Ethical Management and Anti-corruption • Economic performance • Information Security Management and Customer Privacy <p>professional background while observing gender equality guidelines. Steps are taken to ensure the effective functioning of the board and protection of all stakeholders' interests.</p> <ul style="list-style-type: none"> • The Company executes business operations at the highest ethical standard. We have established a code of integrity management and a code of ethical conduct and required all recruits to sign relevant documents to ensure that all commercial activities comply with laws. 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. • 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. • The Company has established an information security management committee under the Information Security Department and the Information Department. Its purpose is coordinating information security-related policy formulation and implementation and conducting risk management and compliance inspections. 	
			<p>Product</p> <ul style="list-style-type: none"> • Responsible Production • Innovative R&D • Customer relationship management • Supplier management <ul style="list-style-type: none"> • To incorporate ISO standards into the design phase and observe international standards and requirements for the safety and environment friendliness of products manufactured, while making products functionally competitive in the market. To ensure compliance, we work with procurement, sales, and supply partners to evaluate regulations and standards local and abroad, and take the initiative to observe them. • Establish well-defined "customer service management," "non-conforming product control," and grievance handling procedures to ensure standardized services to customers. • The Company has formulated the "Supplier Management Procedures" to evaluate and audit suppliers to ensure product quality stability. 	
III. Environmental issues (I) Does the Company establish the suitable environmental management systems upon its industrial characteristics?	V	(I)	<p>The Company is a professional notebook computer manufacturer and service provider and has adopted a computer-assisted environmental management system to actively devise management strategies and performance indicators to serve as behavioral guidelines throughout the organization. We constantly review and improve the environmental management system yearly to ensure policy performance, and the president formulates the management policy. The environmental management policies include: Following the relevant environmental protection laws and regulations and being a compliant enterprise; executing pollution prevention measures in advance to reduce the impact on the environment; continuously</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	
(II) Does the Company seek to enhance the efficiency of energy utilization and the use of recycled materials with a low environmental burden?	V		<p>improving the environmental management plan and taking actions to protect the earth; and actively separate, recycle, and reuse waste generated from Company's activities. 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 6, 2023 and the certification is valid until April 7, 2026.</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 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>	
(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.	V		<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. The detailed description of the Company's climate change risk and opportunity analysis is scheduled to be disclosed in the Company's sustainability report for the second half of 2023 and posted on the Company's website at https://www.clevo.com.tw/tw/esg/ESG_main.</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	V		<p>(IV) The Company has formulated the Operational Procedures for Energy and Resources Management and tracked its greenhouse gas emissions and targets for sustainability since 2019 by reducing 10% carbon emissions over 10 years. We will extend the efforts to the Group's Chinese Channel Business subsidiaries and adjust and strengthen the greenhouse gas emission reduction targets accordingly to help achieve net zero emissions. Energy efficiency measures are put in place at</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												
	Yes	No	Abstract Illustration													
energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of other waste?			production sites and headquarters. Details of energy savings, greenhouse gas reductions, emissions, water consumption, and waste weights are disclosed in corporate sustainable development reports and on the Company's website. The implementation of energy saving, carbon reduction, and greenhouse gas reduction, as well as thorough descriptions of previous greenhouse gas emissions, water consumption, and the total weight of waste, are disclosed in the Company's sustainability report and company website at https://www.clevo.com.tw/tw/esg/ESG_main .													
IV. Social issues				No deviation.												
(I) Does the Company establish the relevant management policies and procedures according to relevant regulations and International Bill of Human Rights?	V		(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.													
(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 ?	V		(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 page 101~102 of the annual report for our welfare measures and subsidies. 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 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. The average salary adjustment for employees in 2022 is as follows:													
			<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></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark							
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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								
			0%~5.0%	None	0%~6.0%	The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.	0~3.0%	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.			
(III) Does the Company provide the employees a safe and healthy working environment, and arrange the regular training relating to safety and health?	V		(III) 1. Arrange the health promotion activities to increase the colleagues' healthiness and prevent the diseases. 2. Arrange the courses of the health lectures regularly to enhance the colleagues' healthy awareness and healthy behaviors. 3. Implement anti-COVID measures and install equipment to combat the virus, to protect the health and work quality of all employees. 4. Arrange the safety and health training for new and existing laborers to teach the colleagues to prevent occupational diseases and have the awareness of safety. 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. 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. 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. 8. Kunshan factory had obtained the new version of certification ISO 14001: 2015 environmental management system on April 6, 2023 and the certification is valid until April 7, 2026. Note: In 2022, the Company has no major occupational accidents.								
(IV) Does the Company establish the effective training programs of the career capability development for its employees?	V		(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.								
(V) Does the Company comply with relevant laws and international standards and establish policies and complaint	V		(V) For the marketing and labeling of the products and services, the Company complies with the relevant regulations and								

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	
<p>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?</p> <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?</p>	V		<p>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> <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) the ISO14001 environmental management system certification and understand their implementation and management status.</p>	
<p>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?</p>	V		<p>The Company complies with the internationally accepted report preparation guidelines (GRI Standards). It also refers to the Task Force on Climate-related Financial Disclosures (TCFD) and the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies when preparing its sustainability report. In 2022, the Company commissioned PwC Taiwan to perform limited assurance work on its information according to Taiwan Standards on Assurance Engagements No. 3000, "Assurances that are not Audits or Reviews of Historical Financial Information." The assurance report is published on the Company's website at https://www.clevo.com.tw/tw/esg/ESG_main.</p>	No deviation.
<p>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.</p>				
<p>VII. Other important information that helps to understand the implementation and the drive for sustainable development: 1. Significant natural disasters and other donations during the past three years</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
	Yes	No	Abstract Illustration	

Year	Note	Amount Put In (Unit: NTD)
2020	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
	Donation - Sunshine Social Welfare Foundation	\$998
	World Vision Taiwan	\$2,800
2022	Jia-yi Charitable Group in Chiayi City	\$20,000
	Social Welfare and Public Welfare Trust, Clevo Co.	\$2,040,000
	Taiwan Visually Impaired Association - Charity Handmade Soap	\$333,900
Total		\$6,479,785

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.

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	
<p>3. Social Co-Prosperity</p> <p>(1) 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 2022 received the environmentally-friendly cutlery sets and 333 sports mugs when they came on board.</p> <p>(2) Support for local small farmers: Starting in November 2019, we have been using fresh milk from a single farm and small farmers without artificial blending and based on fair trade for our coffee machines. The average monthly cost was about 35,000 dollars in 2022. We hope to support and help the development of local farmers in Taiwan long term.</p> <p>(3) In 2022, the Social Welfare and Public Welfare Trust of Clevo Co. donated NT\$2,040,000 to disadvantaged families in Tainan to help create a better society.</p> <p>(4) Partner with the visually impaired association to purchase handmade soap gift boxes for every employee as a Christmas gift. The total expenditure was NT\$333,900.</p> <p>(5) Epoque i-Tower Happy Market event helps local entrepreneur friends and encourages colleagues to spend more to participate.</p> <p>(6) Selected as the New Taipei City Disaster Prevention Excellent Enterprise.</p> <p>(7) The Company contributed NT\$2,393,900 to charity donations and various social projects organized by local government agencies in 2022. The goal was to participate in charitable donations and various social projects run by the local government, strive to reach every corner of Taiwan needing help, and help create a harmonious society and promote sustainable development.</p> <p>The aforesaid matters and results in relation to sustainable development are regularly disclosed on the Company's website and sustainability reports.</p>				

Note 1: If the Current Implementation is ticked "Yes," please specify the important policies, strategies, measures, and implementation status adopted. If the Current Implementation is ticked "No," please explain the difference and cause in the "Status and Reasons for Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" field, and explain the plans to adopt relevant policies, strategies, and measures in the future. Regarding promotion items 1 and 2, TWSE/TPEX-listed companies must describe their sustainable development governance and supervision structure, including management guidelines, strategy, goal formulation, and review measures. Describe the Company's risk management policies or strategies for environmental, social, and corporate governance issues related to operations and its assessment status.

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.

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

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
I. Develop the Policies and Programs for Ethical Corporate Management				No deviation.
(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?	V		(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.	
(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"?	V		(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."	
(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?	V		(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.	
II. Implementation of Ethical Corporate Management				No deviation.
(I) Has the Company assessed the track records of business ethics of counterparties and incorporated code of conduct in the contracts with counterparties?	V		(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 the contract if the Company deems it necessary subject to amendments thereto in light of the type of the contract.	
(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	V		(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	

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
once a year)?				
(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>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.</p> <p>The implementation of the policies for ethical corporate management in 2022 was reported to the Board of Directors on March 15, 2023.</p> <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.</p> <p>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 than those of the Company.</p>	
(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>(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 is identified, audit reports will be produced and submitted to the Board of Directors. No dishonest behavior occurred in 2022.</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, the Company's ethical management unit, regularly organizes education and training for new employees (including ethical corporate management). The Company's 2022 implementation was as follows:</p> <ol style="list-style-type: none"> 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 2022, a total of 79 new hires 	

Evaluation Criteria	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
			<p>signed these documents at a 100% sign-up ratio.</p> <p>2. The Company started to offer employees training and education via e-learning 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 2022, a total of 79 visitors clicked on the curriculum. No illegal behavior was reported in 2022 via the hotline or emails.</p> <p>3. The Company propagates the norms relating to ethical conduct and ethical management to its employees on the Company's internal web page. In 2022, a total of 217 clicks were recorded on the relevant operating standards and regulations.</p> <p>4. 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.</p>	
<p>III. Operation of the Company's Whistle-blowing System</p> <p>(I) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?</p> <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?</p> <p>(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) When a director or manager violates the Codes of Ethical Conduct, he/she shall be reported to the 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> <p>(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.</p> <p>(III) The company has created a complaint system that aims to maintain the Company's reputation, safeguard the property, prevent corruption, theft, embezzlement, or other violations of laws and regulations 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 confidential. 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 evidence indicating they have not violated the Company's regulations,</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	
			<p>they can immediately appeal to the Administrative Management Center. If it is confirmed that the violators violate 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.</p> <p>The Company guarantees that the identity of the individuals lodging complaints or whistle-blowers, and the information provided by them will be kept in absolute confidentiality in accordance with the laws, and they will not be punished for reporting.</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>	
IV. Enhancing Information Disclosure (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?	V		<p>The Company disclosed the contents of the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System. The implementation performance status is also disclosed in the annual and responsibility reports.</p> <p>Please visit the Company's website for details at https://www.clevo.com.tw.</p>	No deviation.
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>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"> 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 for some articles were made on March 27, 2018, and March 31, 2020, and reported to the shareholders' meetings during the respective years. 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. 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. 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. 				

(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> °

(IX) Implementation Status of Internal Control Systems

1. Statement of Internal Control.

CLEVO CO.

Statement of Internal Control System

Date: March 15, 2023

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 evaluation findings above, the Company believes that it has reasonably guaranteed the achievement of the goals above within the preceding internal control period (including the monitoring of the subsidiaries) as of December 31, 2022, including the effectiveness and efficiency of operations, reliability, timeliness and transparency of financial reporting and compliance with relevant legal rules, and that the design and implementation of the internal control system are effective.
- 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 has been approved by the Company's Board of Directors at the meeting held on March 15, 2023, at which this Statement was unanimously endorsed by all 7 attending directors without any opposing opinions.

CLEVO CO.

Chairman: Hsu, Kun-tai Seal

President: 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. Important resolutions at the general shareholders' meeting on June 15, 2022, and the implementations are as follows:

(1) Reports on Company Affairs

Subject 1: 2021 business report proposal.

Subject 2: 2021 final statement for audited by the Audit Committee audit proposal.

Subject 3: 2021 employee, director, and supervisor remuneration distribution proposal.

Subject 4: 2021 earnings distribution and cash dividends status report proposal.

Subject 5: Report on the Company's treasury stock implementation.

(2) Matters to be Ratified

Motion 1: Passed the Company's 2021 final accounts proposal.

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

Motion 2: Passed the Company's 2021 earnings distribution proposal.

Implementation: According to the law, the Company's undistributed surplus at the beginning of the 2021 year has been adjusted to NT\$1,353,601,285. The 2021 annual surplus distributed was NT\$ 3,341,652,545, as shareholder cash dividend was NT\$1,285,752,300. NT\$2.1 per share was distributed according to Articles of Association. July 2, 2022, was set as the ex-dividend base date, and the payment was completed on July 22, 2022.

(3) Discussions

Motion 1: Passed the discussion proposal to amend the Company's "Articles of Incorporation."

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

Motion 2: Passed the discussion proposal to amend the Company's "Acquisition or Disposal of Asset Handling Procedures."

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

Motion 3: Passed the discussion proposal to amend the Company's "Rules and Procedures of Shareholders Meetings."

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 status of directors and supervisors: V = attended

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	4	2022.02.16	2022.02.25 (Video Conference)	<ol style="list-style-type: none"> 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	V	V	V	V	Absent	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan Lin, Bo-Wei
2	5	2022.03.17	2022.03.28	<ol style="list-style-type: none"> 1. 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. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on issuance and transfer of treasury shares. 5. Report on performance assessment results on the board and functional committee in 2021. 6. Report on implementation of the ethical corporate management policy in 2021. 7. Reported on the implementation of corporate governance in 2021. 8. Approved the Company's finalized account and business report for 2021 9. Approved the review by the Audit Committee on remunerations to employees and directors in 2021. 10. Approved the Company's distribution of 2021 earnings 11. Approved the appropriation of the Company's 2021 earnings via cash dividends. 12. Approved the change of the Company's business address. 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." 14. Adoption of amendments to the Articles of Association of the Company. 15. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 16. Adoption of amendments to the Rules and Procedures of Shareholders' Meetings. 17. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 18. Approved the establishment of the Company's Management and Operating Procedures for Preparation of Financial Statements 19. Approved the establishment of the Company's Management and Operating Procedures for Related Party Transactions 20. Approved the establishment of the Company's Operational Regulations Governing Financials and Businesses Among Affiliates 21. Approved the 2021 self-assessment results on the Company's internal control system and the issuance of the statement on the internal control system 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. 	V	V	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi
3	6	2022.05.03	2022.05.11 (Video Conference)	<ol style="list-style-type: none"> 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 in 2021. 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. 	V	V	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Lin, Chun-Jun Chiu, Shu-Juan Wu, Han-Qi
4	7	2022.05.18	2022.05.20 (Video Conference)	<ol style="list-style-type: none"> 1. Passed the cooperation proposal between the Company and Hua Tai Investment. 	V	V	V	V	V	V	V	Wu, Ma Chiu, Shu-Juan

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		
5	8	2022.06.17	2022.06.29 (Video Conference)	<ol style="list-style-type: none"> Proposal to report the Company's 3rd~4th Board resolution implementation status of 2022. Report on internal audit of business. Report on memorandum book for the Company's derivative commodity transactions. Proposal to report the Company's 2021 sustainable development promotion status. Proposal to report the Company's 2021 stakeholder communication status. Passed the Company's greenhouse gas emissions inventory and verification proposal. Adoption of the proposed purchase of liability insurance for the Company's directors and important staff. Passed the 2021 director remuneration distribution operation proposal. Passed the 2021 independent director remuneration distribution operation proposal. Passed the 2021 employee remuneration distribution operation proposal. Passed the proposal to apply for credit extension and trade credit for transactions in derivative financial products to financial institutions 	V	V	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan	
6	9	2022.07.07	2022.07.15 (Video Conference)	<ol style="list-style-type: none"> Passed the Company's proposal to invest and establish a project company with Kindom Construction Corp. and Hua Tai Investment. Passed the capital increase of NT\$250 million in Taipei Twin Towers Limited. 	V	V	V	V	V	V	V	Wu, Ma Liu, Yi-Mei Chiu, Shu-Juan	
7	10	2022.08.04	2022.08.12	<ol style="list-style-type: none"> The Company's 2022 5th~6th Board of Directors resolution implementation status report. Report on internal audit of business. Report on memorandum book for the Company's derivative commodity transactions. Proposal to submit the Company's greenhouse gas emissions inventory and verification plan implementation report. Approved the Company's consolidated financial statements for the second quarter of 2022 Passed the capital reduction base date for treasury stock cancellation. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 	V	V	V	V	V	Lai, Ling-Ming as proxy	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi	
8	11	2022.09.15	2022.09.23 (Video Conference)	<ol style="list-style-type: none"> Passed the disposal of real property for Quanzhou Buynow Corporation, a subsidiary of the Company. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 	V	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi	
9	12	2022.11.01	2022.11.10	<ol style="list-style-type: none"> The Company's 2022 7th~8th Board of Directors resolution implementation status report. Report on internal audit of business. Report on memorandum book for the Company's derivative commodity transactions. Proposal to submit the Company's greenhouse gas emissions inventory and verification plan implementation report. The Company's intellectual property management matters implementation status report. Taipei Twin Towers Limited investment progress report proposal. Passed the Company's 2022 third-quarter final statement proposal. Passed the proposal to change the Company's "C.S.R. work team" to a "sustainable development team." Passed the "2023 Action Plan" proposal for the Company's Corporate Governance Committee. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." Approved the Company's 2023 audit proposal. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 	V	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi	
10	13	2023.01.04	2023.01.12 (Video Conference)	<ol style="list-style-type: none"> Proposal to discuss the 2022 manager year-end bonus reviewed by the Company's Remuneration Committee. 	V	V	V	V	V	V	V	V	Wu, Mai Chiu, Shu-Juan

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	
11	14	2023.03.07	2023.03.15	<ol style="list-style-type: none"> 1. Proposal to report the implementation status of the resolutions passed by the 9th Board of Directors meeting in 2022 and the 1st Board of Directors meeting in 2023 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Proposal to report the 2022 board and functional committee performance assessment results. 5. Proposal to report the 2022 corporate governance implementation status. 6. Proposal to report the 2022 ethical corporate management policy implementation status. 7. In order to cooperate with the accountant rotation policy of PwC Taiwan, it is proposed to change the CPAs who issue financial reports to the Company. 8. The proposal for C.P.A. independence and professional qualification evaluation was passed according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 9. Passed the Company's 2022 finalized account and business report proposal. 10. Passed the Company's 2022 earning distribution proposal. 11. Passed the Company's 2022 surplus distribution cash dividend proposal. 12. Passed the 2022 employee and director remuneration proposal reviewed by the Company's Remuneration Committee. 13. Passed 2022 director remuneration distribution operation proposal. 14. Passed 2022 independent director remuneration distribution operation proposal. 15. Passed the Company and its consolidated subsidiaries' inventory and verification proposal of greenhouse gas emissions. 16. Passed the proposal to amend the Company's "Procedural Rules for the Board of Directors Meetings." 17. Adoption of amendments to the Procedures for Transfer of Shares to Employees by Buyback of the Company. 18. Passed the proposal to amend the Company's "Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading." 19. Passed the proposal to amend some articles and change the name of the Company's "Corporate Social Responsibility Best Practice Principles." 20. Passed the proposal to amend the Company's relevant operating procedures according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." 21. Passed the proposal on the Company's 2022 Internal control system to issue an internal control system statement based on the self-assessment results. 22. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 23. Passed the proposal for syndicated loans of NT\$7.2 billion with a term of 5 years raised for CLEVO by Taiwan Cooperative Bank as the coordinator and arranger. 24. Passed the proposal for convening the general meeting for 2023 and the discussion for relevant operations. 	V	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Wu, Han-Qi Lin, Po-Chuan
12	15	2023.05.02	2023.05.10	<ol style="list-style-type: none"> 1. Proposal to report the implementation status of the resolutions passed by the 2th Board of Directors meeting in 2023. 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 in 2022. 5. Report on the Company's corporate governance evaluation results in 2022. 6. Approved the Company's consolidated financial statements for the first quarter of 2023. 7. Approved the Company's "non-authentication service pre-approval policy". 8. Approved Capital increase USD 4 million of KAPOK COMPUTER (SAMOA) CORPORATION. 9. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 	V	V	V	V	V	V	V	Wu, Mai Liu, Yi-Mei Chiu, Shu-Juan Huang, An-Qi Wu, Han-Qi Lin, Po-Chuan

(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. Fees paid to CPAs

Unit: NT\$ thousand

Name of accounting firms	Name of CPAs		Audit period	Audit fees	Non-audit fees	Total	Remark
PwC Taiwan	Wu, Han-Qi	Liang, Hua-ling	2022.01.01~2022.09.30	4,050	100	4,150	1. Due to the rotation policy of PwC, starting from the fourth quarter of 2022, CPA Liang, Hua-ling was changed to CPA Lin, Po-Chuan. 2. Explanation on non-audit fees: NT\$100 thousand for business registration
	Wu, Han-Qi	Lin, Po-Chuan	2022.10.01~2022.12.31				

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	2022.12.31		
Reasons for Replacement	Due to the rotation policy of PwC Taiwan, the Company has replaced the former CPA Liang, Hua-ling with the CPA Lin, Po-Chuan from the 4th quarter of 2022.		
The term of office for the appointer or accountant is terminated or he/she does not accept the appointment	Parties	CPAs	Appointer
	Situation		V
	Voluntary termination of appointment		
	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 a replacement or other reasons: No.</p>		

(II) Successive CPAs

Name of accounting firm	PwC Taiwan
Name of CPAs	CPA Wu, Han-Qi and CPA Lin, Po-Chuan
Date of appointment	2022.12.31
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 the 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	2022		Up to April 2 in 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 And more than 10% of shares (Note 2)	Hsu, Kun-tai	-	-	-	-
Vice Chairperson 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	(17,000)	-	-	-
Vice President	Chen, Hsueh-Wen	-	-	-	-
Vice President	Lin, Nan-Sheng	-	-	-	-
Vice President	Lin, Guan-Yen	-	-	-	-
Senior Assistant Vice President	Zhang, Wen-Song	(10,000)	-	-	-
Senior Assistant Vice President	Wang, Feng-Zhu	(121,000)	-	-	-
Senior Assistant Vice President	Chung, Wen-Chin	-	-	-	-

Title (Note 1)	Full name	2022		Up to April 2 in 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	Cheng, Yu-Ming	- (20,000)	-	-	-
Senior Assistant Vice President	Lin, Sheng-Hsiang	-	-	-	-
Senior Assistant Vice President	Lin, Liang-Shih	- (18,000)	-	-	-
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: Include spouse, minor children, and owned in other's name who hold totally more than 10% of shares

Note 3: If the transferee or pledgee of shares is a related party, the following form shall be filled out.

(II) Information about share transferring: None.

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

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

April 2, 2023

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	7.39%	21,371,784	3.38%	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	5.90%	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	-
Epoque Co., Ltd. Person in charge: Hsu Kun Tai	33,567,888	5.31%	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	33,536,454	5.30%	4,023,196	0.64%	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 Second-degree relative	-
Lin, Feng-Chu	21,371,784	3.38%	46,701,335	7.39%	0	0%	Hsu, Kun-Tai Fu-Chia Hsu Li-Hsin Hsu Cheng-Hsin Hsu Yueh-Sen Hsu	Spouse First-degree relative First-degree relative First-degree relative Second-degree relative	-
Hsu, Li-Hsin	19,204,568	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	2.68%	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	2.65%	0	0%	0	0%	-	-	-
Hsu, Yueh-Sen	15,768,156	2.49%	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	-
Yueh-Sen Hsu	15,284,373	2.42%	0	0%	0	0%	Hsu, Kun-tai Hsu, Fu-Chia Lin, Feng-Chu	Second-degree relative First-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, 2023

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%

