

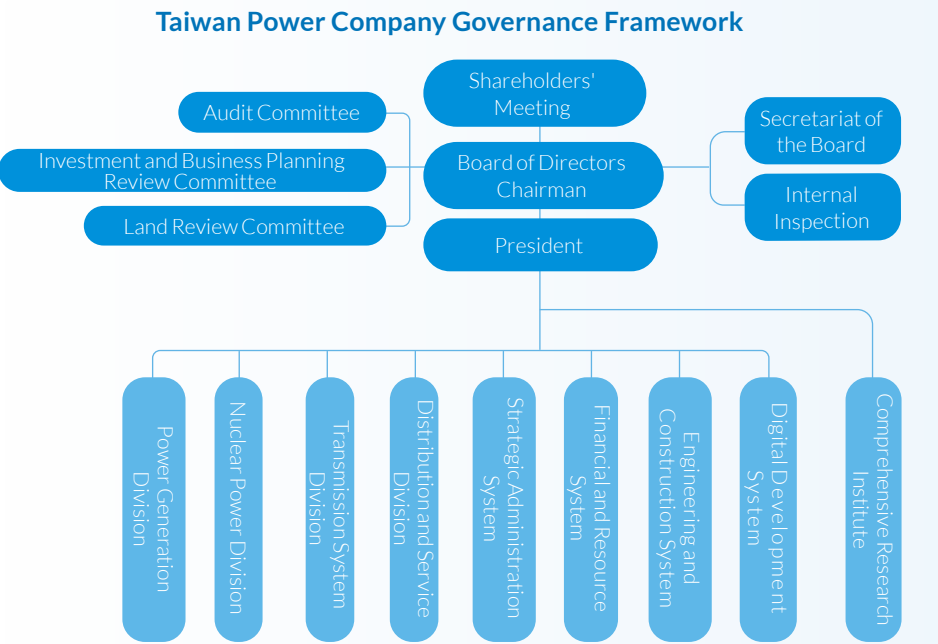
Corporate Governance

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Material Topic: Corporate Governance and Sustainable Management

Policy	To supply stable electricity for the needs of diverse societal development in an environmentally friendly and cost-effective manner.
Management Approach	- Promote corporate governance, integrity practices, and anti-corruption measures to improve management transparency, uphold professional ethics and integrity, and integrate sustainability into business strategy. Strengthen governance structure, sustainability planning, and risk management, while improving risk awareness and organizational resilience to enhance long-term corporate value. - Continue advocating for the removal of policy-imposed obligations and the rationalization of electricity pricing.
Action Plans	- Improve performance in the Corporate Governance Evaluation. - Increase attendance rates for the Board of Directors and Audit Committee. - Develop and implement a supervisory visitation program for integrity affairs.
Actual Performance in 2024	- Received the highest rating ("Excellent") in the 2024 Corporate Governance Evaluation for State-Owned Enterprises by the Ministry of Economic Affairs. - Held 12 project-based integrity seminars with 1,218 participants; 96.9% satisfaction and 99.7% found the sessions helpful. - Organized 309 anti-corruption awareness events with 6,889 participants (23.63% of all employees). - Conducted 26 on-site visits to internal units. - The average board meeting attendance rate reached 99% in 2024, with 100% attendance for audit committee meetings.
Targets for 2030	In alignment with the SDGs, Taipower aims to strengthen cost control and fuel procurement efficiency, promote business diversification and digital transformation, and deploy circular economy and clean energy technologies (e.g., CCS and hydrogen) to achieve net-zero emissions by 2050.

Taipower's governance responsibilities are carried out by the Shareholders' Meeting, the Board of Directors, and the executive management (see figure below). Under the Board, there are three functional committees-the Audit Committee, the Investment and Business Planning Review Committee, and the Land Review Committee-which are responsible for conducting preliminary reviews of proposals submitted by the executive departments. The Board is also supported by the Secretariat and the Audit Office, which assist with meeting coordination, legal compliance, director training, and internal control matters. Taipower currently has 16 departments at its headquarters and four business divisions: Thermal and Hydro Power Generation, Nuclear Power Generation, Transmission and Power Supply, and Power Distribution and Sales. To meet operational needs, the Company has also established various affiliated units and committees, such as the Taiwan Power Research Institute and the Engineering Office for Nuclear and Thermal Power Development. As a publicly held company (not listed or OTC-listed), Taipower is not required under the Securities and Exchange Act to establish a Remuneration Committee.



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Appendix

Board of Directors

● Composition of the Board

In accordance with the Company Act and Ministry of Economic Affairs regulations, Taipower's directors are nominated by shareholders and elected at the Shareholders' Meeting. As stipulated in the Articles of Incorporation, the Board consists of 15 directors. In compliance with the Securities and Exchange Act, three independent directors are appointed and serve on the Audit Committee.

Among the 15 directors, five managing directors, including one independent director, are elected from among the board members, Directors (including independent and managing directors) serve two-year terms and may be re-elected.

As required by the Administrative Law of State-Owned Enterprises, at least one-fifth of the directors representing government shares must be labor union representatives. Therefore, the current board includes: 5 managing directors (1 independent director), 3 independent directors and 3 labor directors.

Taipower Board of Directors, 2024

Title	Name	Current Position	Gender	Age			Professional Background					Attendance Rate
				41-50 Years Old	51-60 Years Old	61-70 Years Old	Electric Energy	Public Policy	Environmental and CSR-related expertise	Finance and Accounting	Law and Land Administration	
Acting Chairman (Managing Director)	Tseng, Wen-Sheng	Vice Minister, Ministry of Economic Affairs	Male		●		V	V	V			100%
Managing Director	Wang, Yao-Ting	President, Taiwan Power Company	Male			●	V	V	V			100%
Managing Director	Lin, Faa-Jeng	Chair Professor, Department of Environmental Engineering, Chung Yuan Christian University	Male			●	V	V	V			93%
Managing Director	Chang, Tien-Chin	Chair Professor, Department of Environmental Engineering, Chung Yuan Christian University	Male			●	V	V	V			100%
Managing Director (Independent Director)	Chou, Shya-Li	Vice President, Taiwan Institute of Economic Research	Female			●	V	V	V	V		100%
Director (Independent Director)	Liu, Chia-Wen	Professor, Department of Accounting, National Taiwan University	Female		●			V		V		100%
Director (Independent Director)	Liu, Chih-Wen	Distinguished Professor, Department of Electrical Engineering, National Taiwan University	Male		●		V	V	V			100%
Director	Lin, Tze-Luen	Spokesperson, Executive Yuan	Male		●		V	V	V			100%
Director	Chiang, Yau-Chi	Professor, College of Maritime Law and Policy, National Taiwan Ocean University	Female	●				V	V		V	100%
Director	Chuang, Ming-Chih	Director, Department of General Planning, Ministry of Economic Affairs	Male		●		V	V	V			100%
Director	Guo, Xiao-Rong	Director, Northern Region Branch, National Property Administration, Ministry of Finance	Female		●			V			V	100%
Director	Luo, Cui-Ling	Director, Department of Economic Law, Ministry of Economic Affairs	Female		●			V			V	100%
Director (Labor Director)	You, Zheng-Da	Section Chief, Chiayi Branch Sales Office, Taiwan Power Company	Male		●		V	V	V			100%
Director (Labor Director)	Yang, Chen-Hsiung	Specialist, Hsinchu-Taoyuan Power Supply District Operations Office, Taipower	Male		●		V	V	V			100%
Director (Labor Director)	Huang, Wen-Feng	Shift Supervisor, Taichung Power Plant, Taipower	Male		●		V	V	V			100%

● Board Diversity

Taipower's Corporate Governance Best Practice Principles (Article 20) state that Board composition should consider diversity in gender, age, and professional expertise. All members are expected to possess the knowledge, skills, and competencies necessary to fulfill their duties. Among the 15 current directors, 5 are women and 10 are men. In addition to core expertise in electrical engineering and related technical fields, the Board includes professionals from new and emerging areas aligned with Taipower's long-term strategic needs for energy transition. These areas include smart grids, circular economy, intellectual property, green energy, environmental protection, information technology, civil engineering, economics, accounting, land administration, and law. The Board comprises 9 representatives from government, academia, and industry, 3 Independent Directors, and 3 Labor Union-Nominated Directors. Members range in age from 49 to 67, representing both mid-career and senior professionals. Overall, the Board demonstrates strong diversity in terms of professional background, gender, and age. In principle, Board meetings are held monthly and convened additionally as needed. In 2024, the Board and the Executive Board held 13 and 7 meetings, respectively, with attendance rates of 99% and 97%.

As of December 31, 2024

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Functional Committees of the Board			
Committee Name	Members	Meeting Frequency / Responsibilities	2024 Performance
Audit Committee	Composed of 3 independent directors in accordance with the Company's Articles and MOEA rules. Independent directors meet the qualifications under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	Meets at least once per quarter. Reviews operating budgets and internal control systems.	Held 7 meetings; 100% attendance.
Investment and Business Planning Review Committee	Comprised of 14 members. Formed through director nomination based on professional expertise and appointed by the Board in accordance with internal regulations.	Meetings are held on a monthly basis in principle to deliberate major proposals concerning investment projects, business strategies and operational plans, as well as the acquisition, management, or disposal of land.	Held 11 meetings; 98% attendance.
Land Review Committee	Comprised of 7 members. Formed similarly to the above, with appointments based on expertise and Board approval.		Held 9 meetings; 100% attendance.

Disclosure and Transparency of Corporate Governance Information

Taipower provides dedicated sections on its official website for corporate governance, information disclosure, and sustainability. These sections offer stakeholders access to key corporate information, including the Sustainability Report; monthly generation and sales data (such as installed capacity, net power generation and purchases, electricity sales, and summaries); concise monthly reports (including operational analyses, business reports on generation, transmission, distribution, and sales, and income-expenditure comparisons); and updates on major project progress. In accordance with the "Regulations Governing the Disclosure of Material Information of Public Companies via the Internet," Taipower also discloses key operational information on the Market Observation Post System (MOPS) and in its Annual Shareholders' Meeting Report. Going forward, Taipower will support the implementation of IFRS Sustainability Disclosure Standards (IFRS S1 and S2) as planned by the competent authority to enhance disclosure quality and align with international standards.

Continuing Education for Directors

In 2024, Taipower continued to proactively arrange director training in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE and TPEx Listed Companies." Although Taipower is a publicly offered but non-listed company, it voluntarily complies with the same training framework and hour requirements. All directors actively participated and obtained certification. The training covered topics such as carbon management, IFRS sustainability disclosure, climate change impacts on financial reporting, corporate governance and gender equality, equity method investments, AI ethics and governance, and applications of artificial intelligence in smart grids. All directors significantly exceeded the required hours, with an average of 9.4 training hours per director in 2024.

Conflict of Interest Avoidance Mechanism

In accordance with Taipower's Board Meeting Rules and the Audit Committee Charter, directors (including independent directors) must disclose any conflicts of interest during meetings. If a matter could affect the Company's interests, directors are required to recuse themselves from both discussions and voting and may not act on behalf of others. Each Board and Audit Committee meeting notice includes a reminder of these conflict-of-interest regulations.

Board Performance Evaluation Policy

Taipower has established "Board of Directors Performance Evaluation Guidelines" to assess both the overall board and individual directors. The overall board evaluation covers participation in operations, decision-making quality, board composition, selection and training, and internal control, and is conducted annually with results reported by the end of March the following year. In 2024, the Board and its three committees all received "Excellent" or "Outstanding" ratings. The results were publicly disclosed in the "Corporate Governance/Board of Directors" section on the Company's website. Individual performance evaluations follow the Ministry of Economic Affairs' "Guidelines for Independent Directors" and "Guidelines for the Management of Directors and Supervisors." Directors complete self-evaluations at the end of each year and submit the results to the MOEA as reference for performance review and reappointment.

Remuneration Policy for Directors

Taipower is a state-owned enterprise. The remuneration of directors (including the Chairman) is determined based on standards set by the competent authority-the Ministry of Economic Affairs-and the Company has not established a Remuneration Committee. Independent directors receive fixed monthly compensation only and are not entitled to profit-sharing, year-end bonuses, or any additional remuneration. Labor directors are Taipower employees and receive compensation in accordance with the "Basic Principles for Employee Compensation Authorization for State-Owned Enterprises" and the "MOEA Guidelines for Personnel Compensation" and thus do not receive additional compensation for serving as directors. In view of Taipower's financial loss in 2024, the director compensation ratio has not been disclosed for this year.

Corporate Governance Officer

In accordance with the "Directions for the Appointment of a Corporate Governance Officer," Taipower has appointed a Governance Officer through its Board of Directors to coordinate corporate governance affairs. The Officer assists board members with legal compliance, continuing education, and access to information required to perform their duties. The role is concurrently held by the Chief Secretary of the Board Secretariat. Compensation is administered under the MOEA's remuneration guidelines for subordinate agencies and is not separately tied to sustainability performance, though it is subject to performance-based and work-related bonus assessment criteria. In 2024, the Corporate Governance Officer completed 28.5 hours of professional training.