

2.1 Taipower's and Governance Structures

2.1.1 Governance Structures

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Taipower currently has 16 departments and offices along with four business divisions that include the Distribution and Service Division, the Transmission System Division, the Nuclear Power Division, and the Power Generation Division. The Company has also established various subordinate units and committees to meet its business needs. These include the Taiwan Power Research Institute and the Department of Nuclear and Fossil Power Projects. In response to the latest amendment of the Electricity Act, Taipower is planning to transform into a holding company that consists of two subsidiaries: a Generation Company (Genco) and a Transmission, Distribution and Retail Company (TD&R Co.).

2.1.2 Board of Directors

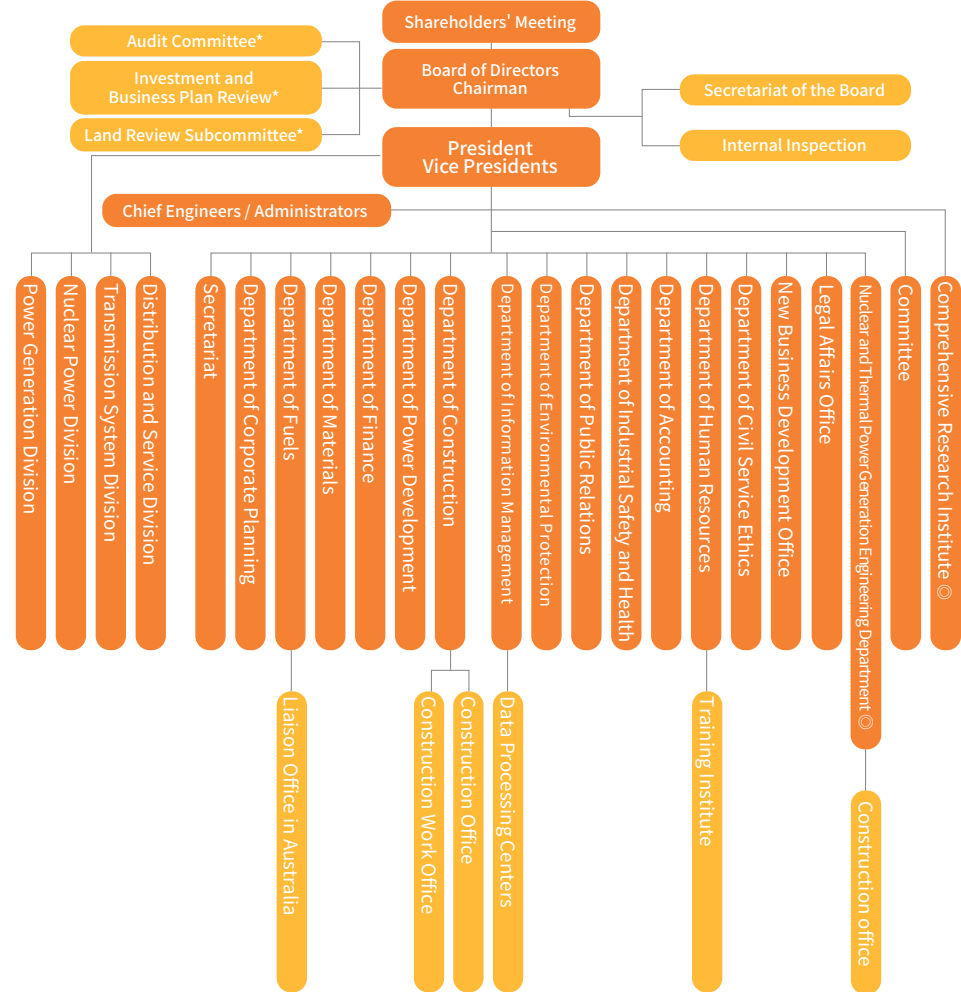
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The Structure of the Board of Directors

According to Taipower's Articles of Association, the Board of Directors consists of 15 directors that are elected at the shareholders' meeting. In accordance with the provisions of the Securities and Exchange Act, the Board shall reserve three seats for independent directors, who also make up the Audit Committee. The Board of Directors shall elect five managing directors from among its members, one of whom must be an independent director. The term of service for directors (both independent and managing) is two years, and they are eligible for reelection. According to the Administrative Law of State-Owned Enterprises, at least one-fifth of the directors of each state-owned enterprise that represent state capital shall be recommended by the labor union. Thus, Taipower's Board of Directors consists of 15 directors, including five managing directors (one of whom serves as an independent director), three independent directors, and three labor directors.



Taiwan Power Company - Organizational Structure Chart



Note: 1. © Indicates that this unit is not under the direct supervision of the General Administration Department.
 2. The head of the Research Institute reports directly to the General Manager.
 3. * is a functional committee. Its functions can be referred to in the "Corporate Governance Report" section of Taipower's 2023 Annual Shareholder Meeting Report.

Diversity of Board Members ▶▶

The Directors of Taipower are nominated by the Ministry of Economic Affairs in accordance with the Guidelines for the Management of Directors, Supervisors and Other Important Officers Assigned by the Ministry of Economic Affairs and Subordinate Units to Public and Privately-Held Businesses and Foundations, and are appropriately nominated in accordance with Taipower's operational needs. They must also be elected at the Shareholder's Meeting. In recent years, the Company has been actively implementing the government's gender equality policy and has increased the number of female directors. Overall, the professionalism, experience, and gender ratio of Taipower's directors are diversified. The Board members in the current term (July 2021 to July 2023) are as follows:

1. Professional backgrounds: In addition to experience within the industry, many new areas of expertise have been added to the Board of Directors. These skills will help meet the long-term strategic needs of energy transition. Areas of expertise include smart grids, circular economy, intellectual property, green energy, energy, environmental protection, electrical engineering, civil engineering, economics, IT, accounting, land administration, law, etc.
2. Industry and academic experience: The directors include nine representatives from the government or academia, three independent directors, and three directors from the labor union.
3. Gender: Taipower currently has five female and 10 male directors on the board.
4. Age: The age range of directors spans from 46 to 65 years, covering a diverse distribution of both younger and middle-aged individuals.

Members of Taipower's Board of Directors in 2022 Information accurate as of December 31, 2022 (Note)

Title	Name	Concurrent Position
Acting Chairman (Managing Director)	Tseng, Wen-Sheng	Vice Minister, Ministry of Economic Affairs
President (Managing Director)	Wang, Yao-Ting	President, Taiwan Power Company
Managing Director	Lin, Faa-Jeng	President, National Applied Research Laboratories
Managing Director	Chang, Tien-Chin	Professor, Institute of Environmental Engineering and Management, National Taipei University of Technology
Managing Director (Independent Director)	Chou, Shya-Li	Vice President, Taiwan Institute of Economic Research
Director (Independent Director)	Liu, Chia-Wen	Professor, Department of Accounting, National Taiwan University
Director (Independent Director)	Liu, Chih-Wen	Specially Appointed Professor, Department of Electrical Engineering and Graduate Institute of Electrical Engineering, National Taiwan University
Director	Lin, Tze-Luen	Associate Professor, Department of Politics, National Taiwan University
Director	Chiang, Yau-Chi	Associate Professor, College of Maritime Law and Policy, National Taiwan Ocean University
Director	Chuang, Ming-Chih	Executive Secretary and Counselor, Research and Development Commission, Ministry of Economic Affairs
Director	Guo, Xiao-Rong	Director, Northern Region Branch, National Property Administration, Ministry of Finance
Director	Luo, Cui-Ling	Executive Secretary, Ministry of Economic Affairs and Executive Secretary, Legal Affairs Committee
Director (Labor Director)	Ding, Zuo-Yi	Senior Specialist, Department of Power Repair, Taiwan Power Company
Director (Labor Director)	Peng, Chi-Chung	Inspector, Department of Power Supply, Taiwan Power Company
Director (Labor Director)	You, Zheng-Da	Section Chief, Chiayi Branch Sales Office, Taiwan Power Company

Note: The former Acting Chairman Wei-Fuu Yang and President Bin-Li Chung were discharged on March 8, 2022. At that time, Wen-Sheng Tseng took over as Acting Chairman and Yao-Ting Wang as President.

Disclosure and Transparency of Corporate Governance Information ▶▶

Taipower's official website includes a Corporate Governance section. Information on the organization and operation of the Shareholders' Meeting, Board of Directors, Audit Committee, and a Shareholder's Area are published on the website and included in the annual report for Taipower's Shareholders' Meeting in accordance with laws and regulations. The annual report is also disclosed on the Market Observation Post System.

Continuing Education for Directors ▶▶

Taipower is a publicly offered company but is not listed on either the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX). Despite this, the Company actively arranges continuing education opportunities for the directors to assist them in effectively implementing sound corporate governance. The training is conducted in accordance with regulations and is consistent with the continuing education system for the Implementation of Continuing Education for Directors and Supervisors for TWSE and TPEX Listed Companies. In 2022, Taipower directors (including independent directors) participated in corporate governance-related courses for a total of 189 hours. This met the threshold proscribed in the aforementioned standards. The topics covered included ESG (Environment, Social, and Governance), finance, technology, regulations, management, forums, and seminars.

Mechanism to Avoid Conflicts of Interest ▶▶

According to Taipower's board meeting policy, for any proposals in which directors (including independent directors) or the juridical person they represent are an interested party, the director shall explain the critical content of their interest at the meeting. When their interest is likely to harm the interests of Taipower, directors shall not participate in the discussion and avoid voting on the proposal. They are also unable to act on behalf of another director. Prior to each board meeting, reminders of these conflict-of-interest recusal rules are stated in-meeting notifications.

Remuneration Policy for Directors ▶▶

Taipower is a state-owned enterprise, and hence, the standards for remuneration of its directors, including the Chairman, are set by the competent authorities (the Ministry of Economic Affairs) and reported to the Shareholders' Meeting in the absence of a Remuneration Committee. Apart from monthly compensation, independent directors may not collect earnings distributions, year-end bonuses, or other forms of compensation. As directors designated by the labor union fall under the category of Taipower employees, their compensation is determined in accordance with the Basic Principles of Employee Compensation Authorization for State-Owned Businesses and the Management Guidelines Governing Remuneration for Employees of Subordinate Units under the MOEA. They may not collect the same remuneration as other directors. In 2022, the remuneration for Taipower directors (including the Chairman, independent directors, and labor directors) constituted -0.00715% of the Company's net income after tax.