

## Taiwan Cogeneration Corporation Director Election Procedure

Formulated by the Shareholders' Meeting on 5.31.2022

**Article 1** To ensure a just, fair, and open election of directors, the "Procedures for Election of Directors" is adopted pursuant to Articles 21 and 41 of the "Corporate Governance BestPractice Principles for TWSE/GTSM Listed Companies."

**Article 2** Except as otherwise provided by law and regulation or by the Corporation's articles of incorporation, elections of directors shall be conducted in accordance with the "Procedures."

**Article 3** The overall composition of the board of directors shall be taken into consideration in the selection of the Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Corporation's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards: I. Basic requirements and values: Gender, age, nationality, and culture. II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows: I. The ability to make judgments about operations II. Accounting and financial analysis ability III. Business management ability IV. Crisis management ability V. Knowledge of the industry VI. An international market perspective VII. Leadership ability VIII. Decision-making ability More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The board of directors of the Corporation shall consider adjusting its composition based on the results of the performance evaluation.

**Article 4** The qualifications for the independent directors of the Corporation shall comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The election of independent directors of the Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be conducted in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."

**Article 5** Elections of directors at the Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below 5 due to the dismissal of a

director for any reason, the Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the Corporation's articles of incorporation, the Corporation shall call a special shareholder meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When all the independent directors are dismissed, a special shareholder meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

**Article 6** The cumulative voting method shall be used for the election of the directors at the Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

**Article 7** The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

**Article 8** The number of directors will be as specified in the Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

**Article 9** Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

**Article 10** A ballot is invalid under any of the following circumstances: I. The ballot was not prepared by a person with the right to convene. II. A blank ballot is placed in the ballot box. III. The writing is unclear and indecipherable or has been altered. IV. The candidate whose name is entered in the ballot does not conform to the director candidate list. V. Other words or marks are entered in addition to the number of voting rights allotted.

**Article 11** The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

**Article 12** The board of directors of the Corporation shall issue notifications to the persons elected as directors.

**Article 13** The “Director Election Procedure” and any amendments hereto, shall be implemented after approval by a shareholders meeting.