

# TAIWAN COGENERATION CORPORATION 2022 Annual General Meeting of Shareholders Minutes

**Time and Date:** 9:00 a.m., Tuesday, May 31, 2022

**Place:** 1F, No. 392, Ruiguang Road, Neihu District, Taipei, Taiwan, International Convention Hall

**Total outstanding TCC shares:** 341,728,081 shares Total shares represented by shareholders present: 589,048,595 shares Percentage of shares held by shareholders present: 58.01%.

**Director present:** Shun-i Huang(Chairman), Han-Shen Li(Independent Director, the Convener of Audit Committee), Ji-sheng Ye (Independent Director), Jao-hua Hsu, Li-jhen Chen, Yu-ming Lee, Wen-bin Li, Fu-Ging Hong, Sheng-jun Wang, Yi-hsien Chen

**Attendees:** Ruske Ho(CPA), David Tien(Attorney-at law)

**Chairman:** Shun-i Huang, the Chairman of the Board of Directors

**Recorder:** Shi-Shun Wang

## **1. Report on the number of shares attended the meeting (listed above)**

## **2. Calling the meeting to order.**

## **3. Chairman's address(Omitted)**

## **4. Report matters**

- (1) 2021 Business Report. Explanation: Please refer to the 2021 Business Report in Annex 1 of the AGM Handbook.
- (2) Audit Committee's report on the 2021 Financial Statements. Explanation: Please refer to Audit Report of the Audit Committee in Annex 2 of the AGM Handbook.
- (3) Status report of the Corporation's endorsements and/or guarantees for others. Explanation: The endorsements and/or guarantees offered for others by the Corporation by 31 December 2021 are as follows:
  - 1) We provided a guarantee of NT\$204 million for subsidiary Chingshuei Geothermal Power Corp. to raise a loan of NT\$400 million from the bank, which required the Corporation to be the joint guarantor based on our stake of 51%. The Corporation's actual loan was NT\$375 million with a guaranteed amount of NT\$191.25 million applied.

2) TCIC, a subsidiary of the Corporation, has agreed to offer guarantees as follows for RPE, a re-invested enterprise in the Philippines, based on its 25% shares of RPE:

- a. Effectuate a guarantee at a maximum of NT\$473 million prior to obtaining the PSA<sup>2</sup> approved by ERC<sup>1</sup> during the first-time appropriation of the project loan.
- b. Effectuate a guarantee at a maximum of NT\$580 million for RPE's stock loan quasimortgage prior to the first-time appropriation of the project loan when RPE signs the project secured loan agreement. The current status of the RPE project is significantly different from the original investment plan. The endorsement and guarantees for RPE by TCIC in the preceding paragraph were canceled in December 2021. <sup>1</sup>ERC: Energy Regulatory Commission <sup>2</sup>PSA: Power Supply Agreement

(4) Status report on the compensations for employees and remunerations for directors of 2021.

Explanation:

1) With respect to Article 36 of the Articles of Incorporation: "Should there be profit after the annual closing of books, no less than 0.5% shall be appropriated as the reward for employees and not more than 1% as the reward for directors, and the ratio of appropriation of the latter shall not be higher than that of the former."

2) The 2021 income was NT\$949,628,146 (net income before tax after deducting the remuneration for employees and remuneration for directors). NT\$30,224,576 and NT\$9,496,281 were appropriated in cash as the remuneration for employees and remuneration for directors respectively. These amounts accounted for 3.18% and 1% of the 2021 profit respectively, comply with the Corporation's Articles of Incorporation. If elimination of the effects on net income after tax of IPP\_IFRS with respect to the dividend distribution to adjust the balance of legal and special reserves at NT\$1,007,485,856 the appropriation rate was about 3% and 0.94% respectively.

3) The amount of distribution resolved above is the same as recognized in the 2021 expenses.

(5) To report 2021 directors' monetary compensation. The Corporation's 2021 director remuneration report is hereby presented for review.

Explanation:

1) The distribution of remuneration to directors is handled in accordance with Article 36

“Should there be profit after the annual closing of books, no less than 0.5% shall be appropriated as the reward for employees and not more than 1% as the reward for directors, and the ratio of appropriation of the latter shall not be higher than that of the former....,” and Article 38 “the board of directors is authorized to determine the director remuneration by referring to the degree of their participation in the Corporation’s business operation, the value of their contribution to the Corporation, and the general remuneration standards of the industry.”

- 2) The payments to the directors of the Corporation include remuneration, rewards, travel expenses, and attendance allowance. The content and amount of the individual remuneration are as follows:
  - a. Remuneration: According to the Articles of Incorporation, the earnings, if any, shall be applied to pay director remuneration for an amount not more than 1% of the earnings; also, the director remuneration rate shall not be higher than the employee compensation rate. The director remuneration was NT\$9,496,281 in 2021.
  - b. Rewards: According to the amount approved by the board of directors (1) General directors: None, (2) Independent directors: It has been increased from NT\$21,000/month to NT\$30,000/month starting from April 1, 2021. Independent directors also act as members of the Remuneration Committee, Audit Committee, Nomination Committee, and other functional committees; thus, they assume more responsibilities, risks, and time than general directors; therefore, the board of directors has resolved to award them with higher remuneration than general directors taking into account their contribution to the Corporation.
  - c. Travel expenses: It has been adjusted according to the resolution of the board of directors from NT\$9,000/month to (1) General directors (excluding the Chairman): NT\$20,000/month, (2) Independent directors: NT\$20,000/month starting from April 1, 2021.
  - d. Attendance allowance: Attendance allowance for an amount of NT\$5,000/time is paid to the attendant of the board meeting, functional committees meeting, and communication meetings with independent auditors, etc.
- 3) Please refer to Annex 3 of the AGM handbook for the remuneration to general directors and

independent directors of the Corporation in 2021 in details

## **5. Adoptions of proposals**

Proposal 1: Adoption of 2021 Business Report and Financial Statements. (Proposed by the BOD)

Explanation:

- (1) The 2021 financial statements, including the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows, have been audited and certified by CPA Jui-Hsuan Ho and CPA Chao-Mei Chen of Deloitte Taiwan with an audit report issued.
- (2) Please refer to the Business Report, Financial Statements, and CPA Audit Report in Annex 1 and Annex 4 of the AGM Handbook.

Voting Results including votes casted electronically (numbers in brackets): Votes in favor: 331,883,410 votes (73,665,231 votes), Votes against 83,306 votes (83,306 votes), Votes abstained: 9,761,365 votes (9,119,396 votes), Votes in favor % of the total represented share present 97.11%.

**Resolved**, that the above proposal be and hereby was ratified as submitted.

Proposal 2: Adoption of the proposal of 2021 Dividend Distribution.

Explanation:

- (1) After off-set the defined benefit plan remeasurement amount adjusted to the retained earnings for an amount of NT\$5,643,916, added to the adjusted retained earnings according to the equity method for an amount of NT\$31,461,077, the final adjusted retained earnings amounted to NT\$63,351,255.
- (2) With respect to the Corporation's Articles of Incorporation, the said adjusted undistributed earnings were NT\$63,351,255. By adding the 2021 net income of NT\$897,884,295, an amount of NT\$92,370,146 was appropriated as the legal reserve, and reverting the special reserve of NT\$201,971,707 (after deducting 10% legal reserve) (note) based on the effects adjusted according to the IPP\_IFRS, the total amount of distributable earnings was

NT\$1,070,837,111. (3) Appropriate cash dividend totaling NT\$1,030,835,041, at NT\$1.75 per share.

(4) Upon the approval of the Annual General Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date and distribute dividends to shareholders registered in the list of shareholders by the ex-dividend date according to the shares each shareholder actually holds.

(5) The chairman will be authorized to adjust cash dividends less than NT\$1 (odd amount) by specific personnel (Employee Welfare Committee of the Corporation).

(6) Please refer to Annex 5 of the AGM Handbook. (Note: As the effects adjusted according to IPP\_IFRS in 2021 were a negative value, the amount was reversed and distributed according to the special reserve appropriated independently in one year before last year.)

Voting Results including votes casted electronically (numbers in brackets): Votes in favor: 331,968,044 votes (73,749,865 votes), Votes against 135,405 votes (135,405 votes), Votes abstained: 9,624,632 votes (8,982,663 votes), Votes in favor % of the total represented share present 97.14%.

**Resolved**, that the above proposal be and hereby was ratified as submitted.

## **6. Discussion matters Discussion**

proposal (1) Proposed by the Board of Directors

Cause of action: The Corporation's initial "Rules of Procedure for Shareholders Meetings" was abolished, and the revised "Rules of Procedure for Shareholders Meetings" is prepared and proposed for resolutions.

Explanation:

- (1) It is processed in accordance with the Tai-Zheng-Zhi-Li-Tzi No. 1100001446 Letter by Taiwan Stock Exchange on January 28, 2021.
- (2) For the purpose of improving corporate governance and safeguarding the rights and interests of shareholders, the Corporation by referring to the "Sample Template for OO Co., Ltd. Rules of Procedure for Shareholders Meetings" announced, amended, and published by the competent authorities and taking into account the Corporation's current "Rules of Procedure

for Shareholders Meetings” that was formulated in the early years with the need of making massive amendments to it and it may cause the difficulty of comparing the articles, intends to have the initial “Rules of Procedure of Shareholders Meeting” of the Corporation abolished and has the new “Rules of Procedures of Shareholders Meetings” (draft) formulated that contains 19 articles.

(3) Please refer to Annex 6 of the agenda handbooks for the newly formulated “Rules of Procedure for Shareholders Meetings” (draft) of the Corporation.

Voting Results including votes casted electronically (numbers in brackets): Votes in favor: 330,581,123 votes (72,313,648 votes), Votes against 137,979 votes (137,979 votes), Votes abstained: 11,008,979 votes (10,416,306 votes), Votes in favor % of the total represented share present 96.73%.

**Resolved**, that the above proposal be and hereby was ratified as submitted.

Discussion proposal (2) Proposed by the Board of Directors

Cause of action: The Corporation has the initial “Rules of Election for the Shareholders Meeting” abolished and the new “Director Election Procedure” formulated and submitted for resolutions.

Explanation:

(1)It is processed in accordance with the Tai-Zheng-Zhi-Li-Tzi No. 1090009468 Letter by Taiwan Stock Exchange on June 3, 2020.

(2)For the purpose of improving corporate governance and safeguarding the rights and interests of shareholders, the Corporation by referring to the “Sample Template for OO Co., Ltd. Election of Directors” announced, amended, and published by the competent authorities and taking into account the Corporation’s current “Rules of Election for the Shareholders Meeting” that was formulated in the early years with the need of making massive amendments to it and it may cause the difficulty of comparing the articles, intends to have the initial “Rules of Election for the Shareholders Meeting” of the Corporation abolished and has the new “Director Election Procedure” (draft) formulated that contains 13 articles.

(3)Please refer to Annex 7 of the agenda handbooks for the newly formulated “Director Election Procedure” (draft) of the Corporation.

Voting Results including votes casted electronically (numbers in brackets): Votes in favor: 330,289,600 votes (72,022,125 votes), Votes against 135,502 votes (135,502 votes), Votes abstained: 11,302,979 votes (10,710,306 votes), Votes in favor % of the total represented share present 96.65%.

**Resolved**, that the above proposal be and hereby was ratified as submitted.

Discussion proposal (3) Proposed by the Board of Directors

Cause of action: The Corporation has the amendments to the “Procedures for the Acquisition or Disposal of Assets” submitted for resolutions.

Explanation:

- (1) The Corporation has amendments made to the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” in accordance with the Jin-Guang-Zheng-FarTzi No. 1110380465 Letter by the Financial Supervisory Commission on January 28, 2022. The Corporation’s “Procedures for the Acquisition or Disposal of Assets” is amended partially in accordance with the aforementioned “Regulations” and the Corporation’s current business operation.
- (2) Please refer to Annex 8 of the AGM handbook for the amendments made to the “Procedures for the Acquisition or Disposal of Assets.”

Voting Results including votes casted electronically (numbers in brackets): Votes in favor: 330,584,412 votes (72,316,937 votes), Votes against 146,000 votes (146,000 votes), Votes abstained: 10,997,669 votes (10,404,996 votes), Votes in favor % of the total represented share present 96.73%.

**Resolved**, that the above proposal be and hereby was ratified as submitted.

## **7. Other matters Proposal:**

Relief of the non-compete restriction on directors (proposed by BOD).

Explanation:

- (1) With respect to paragraph 1, Article 209, Company Act: When engaging in business for themselves or others within the scope of business of the company where they work, directors shall report the important contents of such business and apply for permission to the meeting of shareholders.

(2)When a director of the Corporation is concurrently a director representing another company, or invests in or runs a company with the scope of business similar to that of the Corporation as the director of that company, we propose to relieve the non-compete restriction on such directors.

(3)List of directors requiring relief of the non-compete restriction:

Title	Name	Relief of Non-Compete Restriction
Director	Tien-Ho Kuo	Executive, Taiwan Power Company

Voting Results including votes casted electronically (numbers in brackets): Votes in favor: 329,885,048votes (71,676,869 votes), Votes against 351,680 votes (351,680 votes), Votes abstained: 11,491,353 votes (10,839,384 votes), Votes in favor % of the total represented share present 96.53%.

**Resolved**, that the above proposal be and hereby was ratified as submitted.

**8.Extemporary motions (A question raised by the shareholder and the management's responses were omitted)**

**9.Adjournment: 10:01a.m. There being no other motions, the meeting was adjourned**