

# TAIWAN COGENERATION CORPORATION

## 2021 Annual General Meeting of Shareholders

### Minutes

#### (Translation)

Time and Date: 9:00 a.m., Friday, July 30, 2021

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

Total outstanding TCC shares: 335,722,118 shares

Total shares represented by shareholders present: 589,048,595 shares

Percentage of shares held by shareholders present: 56.99%

Director present: Shun-i Huang(Chairman), Han-Shen Li(Independent Director, the Convener of Audit Committee), Chien-Yih Chen, Jao-hua Hsu, Ming-Teh Chiang, Li-Chen Chen, Yu-ming Lee, Fu-Ging Hong, Sheng-jun Wang, I-Hsien Chen

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

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

Recorder: Ming-Tsung Yeh

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) 2020 Business Report  
Explanation: Please refer to the 2020 Business Report in Attachment 1.
  - (2) Audit Committee's review report on the 2020 Financial Statements.  
Explanation: Please refer to Review Report of the Audit Committee in Attachment 2.

- (3) Status report of the Company's endorsements and/or guarantees for others.

Explanation: The external endorsements and/or guarantees offered by this Company by 31 December 2020 are as follows:

- 1) We provided a guarantee of NT\$204 million for subsidiary Chingshuei Geothermal Power Plant to raise a loan of NT\$400 million from the bank, which required this Company to be the joint guarantor based on our stake of 51%. The limit has been activities after contract execution on October 2019.
- 2) TCIC, a subsidiary of this Company, 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 quasi-mortgage prior to the first-time appropriation of the project loan when RPE signs the project secured loan agreement.

<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 2020.

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 2020 income was NT\$1,135,178,470 (net income before tax after deducting the remuneration for employees and remuneration for directors). NT\$30,852,280 and NT\$10,284,093 were appropriated in cash as the remuneration for employees and remuneration for directors respectively. These amounts accounted for 2.72% and 0.91% of the 2020 profit respectively, comply with the Company'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\$1,028,409,325 the appropriation rate was about 3% and 1% respectively.

- 3) The amount of distribution resolved above is the same as recognized in the 2020 expenses.

(5) To report 2020 corporate bond issuance.

Explanation:

- 1). First-time issuance of common unsecured corporate bond in 2020 according to the board resolutions.
- 2). Major conditions of issuance:

Total amount issued	New Taiwan Dollar Two Billion Five Hundred Million (NT\$2.5 billion)	
Order of bonds	Bond A	Bond B
Duration	5 years	10 years
Amount	New Taiwan Dollar One Billion Nine Hundred Million (NT\$1.9 billion)	New Taiwan Dollar Six Hundred Million (NT\$600 million)
Face interest rate	0.75%	1.00%
Method of principal payback	One-time payback upon maturity date from the date of issuance	
Method of interest calculation and payment	Single interest calculated and paid once a year at the face interest rate from the date of issuance.	
Date of issuance	14 August 2020	
Face amount	New Taiwan Dollar One Million (NT\$1 million)	
Issuance price	Issued as net according to the face amount	
Fund application	Loan repayment	

- 3). A total of NT\$2.5 billion was raised as net on August 14, 2020. The sum was used to repay the loan at NT\$2.5 billion during August 17-20, 2020.

## 5. Ratification Items

- (1) Adoption of 2020 Business Report and Financial Statements.  
(proposed by the BOD)

Explanation:

- 1) The 2020 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 Rui-xuan He and CPA Zhao-Mei Chen of Deloitte Taiwan with an audit report.
- 2) Please refer to the Business Report, Financial Statements, and CPA Audit Report in Attachment 1 and Attachment 3.

Voting Results including votes casted electronically (numbers in brackets):

Votes in favor: 329,215,368 votes (70,521,477 votes), Votes against 139,300 votes (139,300 votes), Votes abstained: 6,367,450 votes (5,362,441 votes), Votes in favor % of the total represented share present 98.06%.

**Resolved**, that 2020 Business Report and Financial Statements be and hereby were ratified as submitted.

- (2) Adoption of the proposal of 2020 Dividend Distribution.

Explanation:

- 1) Beginning unappropriated retained earnings of 2020 was NT\$127,819,152. After setting off the retained earnings and adopted from the re-measurement of defined benefit plan and less unappropriated retained earnings at NT\$497,948, unappropriated earnings after adjustment is NT\$128,317,100.
- 2) With respect to the Company's Articles of Incorporation, the said adjusted undistributed earnings was NT\$128,317,100. By adding the 2020 net income of NT\$1,068,547,170, an amount of NT\$106,904,512 was appropriated as the legal reserve, and reverting the special reserve of NT\$66,766,667(after deducting 10% legal reserve) (note) based on the effects adjusted according to the IPP\_IFRS, the total amount of distributable earnings was NT\$1,156,726,425.
- 3) Appropriate cash dividend totaling NT\$1,119,192,331, at NT\$1.9 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 this Company).
- 6) Please refer to Attachment 4.

(Note: As the effects adjusted according to IPP\_IFRS in 2020 were a negative value, the amount was reversed and distributed according to the special reserve appropriated independently in one year before last year.)

(A question raised by the shareholder and the management's responses were omitted)

Voting Results including votes casted electronically (numbers in brackets):

Votes in favor: 329,232,368 votes (70,538,477 votes), Votes against 157,300 votes (157,300 votes), Votes abstained: 6,332,450 votes (5,327,441 votes), Votes in favor % of the total represented share present 98.06%.

**Resolved,** that 2020 Dividend Distribution be and hereby was ratified as submitted.

- (3) Adoption of the proposal for changing 2008 cash capital increase plan.  
Explanation:

- 1) In 2008 we issued 50 million common shares, each NT\$10, for cash to reinvest in the RP Energy Project in the Philippines. Shares were issued at premium at NT\$13.2 per share to raise a total of NT\$660 million.
- 2) Due to the delay in the progress of plant construction of the RP Energy Project, it is recommended to use the undisbursed cash as operating fund to enhance fund use efficiency for the flexible use of capital and optimization of the financial structure.

3) Please refer to Attachment 5 for details regarding the changes in the 2008 issuance of common stock for cash project

Voting Results including votes casted electronically (numbers in brackets):

Votes in favor: 327,871,306 votes (69,177,415 votes), Votes against 335,639 votes (335,639 votes), Votes abstained: 7,515,713 votes (6,510,164 votes), Votes in favor % of the total represented share present 97.66%.

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

#### **6. Extemporaneous motions**

(A question raised by the shareholder and the management's responses were omitted)

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#### **7. Adjournment: 9:58a.m.**

There being no other motions, the meeting was adjourned.