

IV. Implementation of Corporate Governance

(I) Operations of the Board of Directors

1. The Company had convened Eight Board of Directors meetings in 2021 with the following attendance :

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Jeffery Pan	8	0	100	
Director	J. W. Kuo	7	0	87.5	
Director	Jia Pin Investment Development Company Limited representative: Robert Lai	8	0	100	
Director	Simon Tseng	8	0	100	
Director	Charles Lee	8	0	100	
Director	Pei-fen, Chang	8	0	100	
Independent director	Chen, Linsen	8	0	100	
Independent director	Sun, Pi-Chuan	8	0	100	
Independent director	Cheng, Jen-Wei	8	0	100	

Other mentionable items :

- If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified.
 - Matters referred to in Article 14-3 of the Securities and Exchange Act. : The Company has established an Audit Committee, and Article 14-3 of the Securities and Exchange Act is not applicable to the Company. Please refer to Page 26-27 of the Annual Report for related information of the operation status of the Audit Committee.
 - In addition to the aforementioned matters, other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors. : None
- If there are directors' avoidance of motions in conflict of interest, the directors' name, contents of motion, causes for avoidance and voting should be specified :

Board of Directors	Name of director	Content of motion	Causes for avoidance	Voting
The 7th meeting, 11th BOD 2021.7.30	Charles Lee	Discussion the proposal for approval in solar power station of Kuan Yueh Technology Engineering Co.,Ltd.	It involves conflict of interest and avoidance shall be implemented in accordance with the laws. Hence, the concerning director did not participate in discussions and voting.	Charles Lee avoidance when discussing and Resolution the proposal, the other directors attending unanimously resolved to adopt the proposal.

3. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out “Implementation Status of Board Evaluations.” :

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	Conduct review on the performance of the Board of Directors for the period from Jan.1 to Dec.31,2020	Include the performance review of the Board of Directors, individual members of the Board and functional committees.	(1) Self-assessment conducted by the Board of Directors and members of the Board. (2) Appoint Dalee Finance Consulting Co., Ltd. to conduct performance evaluation.	(1) Performance review of the Board of Directors: include the level of involvement in the Company’s operation, quality of decisions made by the Board of Directors, composition and structure of the Board, election and continuing education of Board members and internal controls. (2) Performance review of individual Board members: include grasping of the Company’s goals and duties, recognition of directors’ duties, the level of involvement in the Company’s operations, management and communication with internal stakeholders, professionalism and continuing education of directors and internal controls. (3) Performance review of functional committees: level of involvement in the Company’s operations, recognition of the duties of the committee, quality of decisions made by the committee, composition and election of committee members and internal controls.

The Company completed self evaluations of Board performance in 2021 and reported the results to the Board of Directors on March 15, 2022. The weighted average score for the overall performance of the board of directors is 4.89 out of 5. The weighted average score for the performance of the individual directors is 4.8 out of 5. The weighted average score for the overall performance of the functional committees is 4.81 out of 5, the overall board’s operation has been effective.

4. Evaluation of targets for strengthening of the functions of the Board of Directors during the current and immediately preceding fiscal years and measures taken to achieve the targets.
- (1) Besides proving the directors and supervisors with the relevant laws and regulations, the Company requires the Board to present the current business status of the Company at board meetings and prepare the relevant information for the proposals for inquiry by nominated personnel.
 - (2) Provide information on an array of training courses to strengthen the competency of board members. A total of four directors undertake a total of 30 hours of training during 2021.
 - (3) In an effort to carry out corporate governance and improve the operational efficiency of the Board of Directors, the Company has put in place the “Rules for Performance Review of Board of Directors” to take effect from 28 December, 2018. The annual performance review for the previous fiscal year takes place at the start of the current fiscal year. Results of the review are presented to the nearest upcoming Board of Directors’ meeting.
 - (4) The operation of the Board of Directors was in accordance with the “Rules for Board of Directors’ Meeting”.
 - (5) To ensure information transparency, the Company will publicly disclose important resolutions of the Board of Directors’ meeting on the Company’s website (<http://www.topco-global.com>) subsequent to the board meetings in the best interest of shareholders.

(II) Operations of the Audit Committee

The Company had convened Seven Audit Committee meetings in 2021 with the following attendance :

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Chen, Linsen	7	0	100	
Independent Director	Sun,Pi-Chuan	7	0	100	
Independent Director	Cheng, Jen-Wei	7	0	100	

Other mentionable items :

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified.

(1)Matters referred to in Article 14-5 of the Securities and Exchange Act. :

Date/Term of the Audit Committee	Content of motion	Independent director's opinions or objections	Audit Committee resolutions	Company's response
The 4th meeting, 1st Term 2021.3.16	1.Approved the Company's 2020 "Review of Internal Control System Effectiveness" and "Statement of Internal Control Systems". 2.Discussed the Company's 2020 Business Reports. 3.Discussed the 2020 standalone financial statements and consolidated financial statements prepared by the Company. 4.Discussed the distribution of the Company's 2020 earnings.	None	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.
The 1st extraordinary meeting, 1st Term 2021.7.13	Discussion the proposal to invest in Unitech Engineering Corp.	None	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.
The 6th meeting, 1st Term 2021.7.27	Discussion the proposal for approval in solar power station of Kuan Yueh Technology Engineering Co.,Ltd.	None	All committee members attending unanimously resolved to adopt the proposal.	Charles Lee avoidance when discussing and Resolution the proposal, the other directors attending unanimously resolved to adopt the proposal.
The 7th meeting, 1st Term 2021.10.26	1.Discussion of the suspected capital financing for Fujian Jinhua Integrated Circuit Co. Ltd. by Suzhou Topco	None	1.All committee members attending unanimously resolved to adopt	1.All directors attending unanimously resolved to adopt the proposal that

Date/Term of the Audit Committee	Content of motion	Independent director's opinions or objections	Audit Committee resolutions	Company's response
	Construction Ltd. & Shanghai Chong Yao Trading Co., Ltd. due to Oct. 25, 2021 the for the extraordinarily long credit period of receivables. 2. Discussion the proposal to invest in Shih Her Technologies Inc.		the proposal that this is not capital financial. 2. All committee membe attending unanimously resolved to adopt the proposal.	this is not capital financial. 2. All directors attending unanimously resolved to adopt the proposal.
The 2nd extraordinary meeting, 1st Term 2021.11.19	Discussion the proposal to Loan to Topscience(s) Pte Ltd.	None	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors : None

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs.

Date	Summary of Communication	Implementation Status
Mar.16,2021 Audit Committee Meeting	1. Audit plan execution report for 2021 2. Statement of Internal Control System for 2020	Submitted the Board of Directors for resolution and proceed in accordance with the resolution of the Board.
Mar.16,2021 Communicaiton Meeting	1. The 2020 standalone financial statements and consolidated financial statements audited and attested by CPAs. 2. Communication of the scope of audit and key matters as well as major changes to laws and regulations. 3. Communication of questions raised by meeting attendees between the audit manager and CPAs.	Submitted the Board of Directors for resolution and proceed in accordance with the resolution of the Board.

(III)Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
1.Does the Company stipulate and disclose best practice principles for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the “Corporate Governance Best-Practice Principles” based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on Dec.28,2018. The information has been disclosed on the Company’s website.	None
2.Shareholding structure & shareholders' rights (1)Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2)Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3)Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4)Does the company establish internal rules against insiders trading with undisclosed information?	✓ ✓ ✓ ✓		(1) The Company has appointed dedicated personnel (spokesperson, acting spokesperson, shareholder service unit and media contact person) as well as a legal department to offer appropriate legal consultation services and handle shareholder recommendations, queries, disputes, and litigated events. (2) The Company maintains a current list of its directors, managerial officers, and major shareholders and has instituted the Stock Affairs Office to handle shareholder affairs. The Company maintains sound interactions and relationship with its major shareholders and monitors matters that may give arise to changes in share ownership. (3) The Company has in place appropriate risk control mechanisms and firewall through instituting the internal control systems in accordance with “Regulations Governing Transactions Between Specific Companies, Related Parties and Group Enterprises”, “Regulations Governing Supervision of Subsidiary Companies”, “Procedures for Loan to Others and Endorsements and Guarantees” and “Procedures for Acquisition or Disposal of Assets”. (4) The Company has established “Procedures for Prevention of Insider Trading” , “Code of Ethical Conduct”, and “Ethical Corporate Management Best Practice Principles” to prohibit employees from engaging in insider-trading using information that is not publicly available or disclosing the said information to others to engage in insider trading. The handling and disclosure of significant information shall be in accordance with the relevant laws and regulations.	None

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the Board established a diversity policy, specific management goals and implemented it accordingly?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?</p> <p>(4) Does the Company regularly assess on the independence of CPAs?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company’s “ Corporate Governance Best Practice Principles” consider the diversity policy of board members. please refer to “Diversified board of directors” in page 15 of the annual report for further details.</p> <p>(2) The Company has instituted the “Audit Committee”, “Remuneration Committee”, ”Corporate Governance Committee” and the "Risk Management Committee". The Company may institute other functional committees in future according to operational requirements.</p> <p>(3) The Company has put in place the “Rules for Performance Review of Board of Directors” to take effect from December 28, 2018 to review the efficiency and functioning of the board. The board has executed internal performance evaluation for the 2021. Results of the evaluation were presented at the board of directors’ meeting on March 15, 2022 and published on the Company’s website.</p> <p>(4) The Company appoints KPMG, a reputable CPA firm in Taiwan as our independent accountants. The Company evaluates the independence and competency of the CPAs at least once a year on the basis of the scale of operation and reputation of the CPA firm, years of consecutive audit service, the nature and scope of non-audit services, audit engagement fees, the quality of audit services and interactions of CPAs with the Company’s management and internal audit managers. The Company requests the CPAs and their firm to provide the relevant information and Statement of Independence for evaluation by the Accounting Department. Results of evaluation for the past two fiscal years were presented to the board on March 16, 2021 and March 15, 2022, respectively.</p>	None

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)	✓		<p>In an effort to implement corporate governance, the Company has appointed designated personnel to handle corporate governance affairs. The board resolved on November 8, 2019 to appoint senior vice-president Della Huang to be solely responsible for overseeing the Company’s corporate governance operations. Ms Huang has over ten years of experience in handling stock affairs or administrative matters of meetings of public companies. Her primary duties include handling matters associated with convening board meeting and shareholders’ meetings in accordance with law, prepare minutes of board and shareholders’ meetings, assist directors in taking office and continuing training, provide directors with information they require to perform their duties, and collect information on the latest regulatory updates relevant to the Company’s business operations to ensure regulatory compliance.</p> <p>Status of implementation for the 2021 fiscal year has been published on the Company’s website, summary of which is provided below:</p> <p>(1) Assist directors in performing their duties and provide the required information and arrange training for directors.</p> <p>(2) Assist with the functioning of the respective functional committees, board of directors and meeting procedures of shareholders’ meeting as well as regulatory compliance matters.</p> <p>(3) Maintain investor relations.</p>	None
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company holds belief in diligent, honest, and professional management and maintains sound interactions with its stakeholders. Our services are deeply trusted by our suppliers and customers. The Company has instituted a dedicated stakeholder section on the Company’s website to offer product information and appropriate channel for communication. The Company prepares the annual corporate social responsibility report, conducts customer satisfaction surveys, and has instituted a platform on the internal employee portal to promote communications between employees and the Company’s management team.</p>	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		<p>The Company has appointed the stock affairs agency service department of the Grand Fortune Securities to handle all stock affairs and matters pertaining to shareholders’ meetings.</p>	None

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
<p>7.Information disclosure</p> <p>(1)Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(2)Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3)Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results of operation ahead of the due dates?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1)The Company publishes the various financial and business information periodically and from time to time on the website of the Market Observation Post System. The Company has established a website in Traditional Chinese, Simplified Chinese and English and a dedicated “Stakeholders Section” to disclose information on corporate governance. Website: http://www.topco-global.com.</p> <p>(2)The Company has appointed dedicated personnel to be responsible for collecting and disclosing the information outlined in the left column, convenes investor conferences at least twice a year, has established a spokesperson system and offers appropriate company information and channel for communications for investors on the Company’s website.</p> <p>(3)The Company has published and filed its annual financial statements within three months of the end of the fiscal year in accordance with regulatory requirements and published and filed its financial statements for Q1, Q2, and Q3 and monthly operating status prior to the due dates.</p>	None
<p>8.Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p>	<p>✓</p>		<p>(1) Employees’ rights and employee care: please refer to “Labor Relations” in page 84 of the annual report for further details.</p> <p>(2) Investor relations, supplier relations and stakeholder’ rights: The Company places high importance in communications with suppliers and clients. Besides regularly visiting suppliers and clients, the Company hosts workshops and sports events from time to time to promote interactions with suppliers and clients. The Company also has a product manager system in place and a dedicated system and line for handling customer feedbacks to ensure that customers’ issues are resolved with dedicated assistance. On the other hand, the Company has also appointed a spokesperson, acting spokesperson and media release contact person to be solely responsible for handling investors’ queries and communications. The Company convenes the investor conference each year and discloses the relevant information on the Company’s website.</p>	None

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>(3) Further training of directors and managerial officers: please refer to “Corporate Governance Training” in page 35 for further details.</p> <p>(4) Implementation of the risk management policy and risk assessment standards: A.Risk management policy: The company and its subsidiaries continue to propel and implement risk-orientated management approach to foster operational strategies, prevent possible losses within the tolerable risk range with the goal of meeting the business targets to add values for shareholders.</p> <p>B.Organizational structure of risk management: The organizational structure of the Company’s risk management framework is divided into the following responsible units according to the nature of the businesses:</p> <p>(a) Board of Directors: responsible of establishing the Company’s risk management policy, deliberating, and formulating the risk management policy and guiding principles to be used as the standards for the Company and its subsidiary companies to follow in exercising risk management.</p> <p>(b) Risk Management Committee: The general manager assigns supervisors to take charge of the work of each risk group and implement related work plans, and regularly report the implementation status to the committee to ensure the operation of the management structure and risk control functions. The operation of the committee is in accordance with the company's "Risk Management Committee rules" and should report to the board of directors at least once a year.</p> <p>(c) Auditing Office: Draw up the annual audit plan based on the results of the risk assessment. Conduct audits on the operations of each business unit periodically and from time to time; propel and improve the Company’s internal control system to ensure that</p>	

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>the internal controls continue to be effectively implemented.</p> <p>(d) The company and subsidiaries: They should clearly identify the risks, and comply with the relevant regulations of the company's internal control, perform necessary operations and risk management, and ensure that the risks involved are controlled within an acceptable range.</p> <p>C.Operations of risk management: The risk management committee has instituted emergency response team, operational risk, financial risk, and information security risk etc. The general manager assigns relevant unit supervisors to take charge of the each group and execute the work plans.</p> <p>(5) Implementation of client policy: The Company undertakes customer satisfaction surveys each year to collect customer feedbacks to be used as the reference for future development of products and services.</p> <p>(6) Professional indemnity insurance for directors: The Company renewed the indemnity insurance for directors underwritten by Fubon Insurance Co., Ltd. in October 2021. Total insured value was NT\$ 152,500,000.</p> <p>(7) Certification obtained by personnel responsible for managing the transparency of financial information: R.O.C. CPA: two people qualified including the Chief financial officer Joyce Lu and Chief accountant officer Nicole Lee. CFA of United States: one person qualified, Vice President Chihkai Chang from the Investment Management Division. International qualified CIA: one person qualified, Chief internal auditor Angel Liu. Internationally qualified CISA: two people qualified including the Chief internal auditor Angel Liu and Specialist Ken Yang.</p> <p>(8) Procedures for handling significant internal information: 1.The Company has established the “Procedures for Prevention of Insider Trading” , which are uploaded and published on the internal employee portal. The established mechanism for handling</p>	

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>and disclosing significant internal information ensures the consistency and accuracy of information made publicly available.</p> <p>2.The handling and disclosure of significant internal information or uploading to the Market Observation Post system is subject to approval and documentation. The handling personnel is prohibited from disclosing the Company’s significant internal information without prior consent.</p>	
9.Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.	✓		<p>(1) Improvements made:</p> <ol style="list-style-type: none"> 1. Convene the Annual Shareholders Meeting before end of May. 2. Formulate a policy on diversity of board members. 3. Formulate risk management policies and procedures. 4. Disclosure the greenhouse gas emissions, water consumption, and total weight of waste in the last two years. <p>(2) Priority improvements and measures:</p> <ol style="list-style-type: none"> 1. Training hours of directors. 2. Interim financial report approved by the Audit Committee. 3. The financial report shall be approved by the board of directors before 7 days at the announcement deadline, and announced within 1 day from approval. 4. Obtained the TCFD report. 	None

Note : Corporate Governance Training in 2021:

Position Name	Date	Organizer	Course Name	Hours
Director Robert Lai	Aug.19,'21	Securities and Futures Institute	Discussion on employee compensation strategy and tools	3
	Oct.15,'21	Securities and Futures Institute	2021 Insider equity transaction compliance press conference	3
	Nov.18,'21	Digital Governance Association	Corporate integrity and governance, and control of insider trading	3
Independent Director Chen, Linsen	Sep.1,'21	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
	Sep.28,'21	Taiwan Corporate Governance Association	Advanced audit committee case study	3
Independent Director Sun, Pi-Chuan	Sep.1,'21	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Independent Director Cheng, Jen-Wei	Sep.1,'21	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Chief internal auditor Angel Liu	Mar.31,'21	The institute of Internal Auditors-Chinese	Practical fraud risk audit and management	6
	Jul.14,'21	The institute of Internal Auditors-Chinese	How to use digital technology to explore and improve operation flow and detect fraud	6
Chief Accounting Officer Nicole Lee	Mar.24,'21	Accounting Research and Development Foundation	Accounting estimates and asset impairment	3
	Mar.25,'21		New regulations for directors and supervisors' remuneration and case study on corporate governance	3
	Aug.12,'21		Case study on financial statement fraud and discussion on related legal liabilities	3
	Aug.19,'21		Financial accounting and evaluation for property, plant and equipment	3
chief corporate governance officer Della Huang	Sep.1,'21	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
	Oct.22,'21	Securities and Futures Institute	2021 Insider equity transaction compliance press conference	3
	Nov.9,'21	Securities and Futures Institute	2021 Insider trading prevention conference	3

(IV) Composition, duties, and operations of the Company's Remuneration Committee :

1. Information on the members of the Remuneration Committee

Identity	Criteria Name	Professional qualifications and experience	Number of Other Public Companies in Which the Individual is Concurrently Serving as an members of Remuneration Committee
Independent director	Chen, Linsen	please refer to “Information as professional qualifications and independent status of independent directors” in page 11 for further details.	0
Independent director	Sun, Pi-Chuan		0
Independent director	Cheng, Jen-Wei		1

2. Operations of the Remuneration Committee

(1) There are three members in Remuneration Committee of the Company.

(2) Current term of office : July 31, 2020~Jun 21, 2023

The Company had convened Five Remuneration Committee meetings in 2021 with the following attendance :

Identity	Name	Attendance in Person	By proxy	Attendance Rate (%)	Remart
Independent director	Chen, Linsen	5	0	100	
Independent director	Sun, Pi-Chuan	5	0	100	
Independent director	Cheng, Jen-Wei	5	0	100	

Other mentionable items :

(1) If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion : None.

(2) Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified : None.

(3) Proposals and resolutions of the Remuneration Committee meetings and the Company's handling of the members' opinions in the most recent year.

Meeting Date	Content of the motion	Remuneration Committee resolutions	Company's response
2021.2.1	1. Amendments to the Company's "Rules of bonus distribution rules- annual bonus, staff performance bonus". 2. Amendments to the Articles of Association of Employee Stock Ownership Associations 3. Deliberate the Company's annual bonus allocation proposal for managers in 2021. 4. Deliberate the Company's staff performance bonus allocation proposal	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.

Meeting Date	Content of the motion	Remuneration Committee resolutions	Company's response
	for managers in the second half of 2020. 5.Deliberate the Company's performance bonus allocation proposal for managers in the second half of 2020.		
2021.3.16	1.Deliberate the allocation proposal for the Company's employee compensation as well as director and supervisor remuneration of 2020. 2.Amendments to the Company's "Rules of Employee Retirement". 3.Deliberate the rules of quarter performance bonus for Business Unit of 2021.	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.
2021.4.28	1.Deliberate the Company's Salary adjustment proposal for managers in 2021.	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.
2021.9.15	1.Deliberate the payment proposal to the Company's employees, directors and supervisors of 2020. 2.Deliberate the Company's staff performance bonus allocation proposal for managers in the first half of 2020. 3.Deliberate the Company's performance bonus allocation proposal for managers in the first half of 2020.	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.
2021.9.24	1.Deliberate the payment proposal for the Company's employee compensation for managers of 2020.	All committee members attending unanimously resolved to adopt the proposal.	All directors attending unanimously resolved to adopt the proposal.

3.Information on the members of the Nomination Committee and its operating status:
Not applicable

(V) Fulfillment of sustainable development and deviations from the " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" :

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
1.Does the Company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors?	✓		The Chief Sustainability Officer is the chairperson for the Company’s corporate social responsibility taskforce, which collates stakeholders’ feedbacks and results of implementation of the plan to review the effectiveness of the plan and propose areas for improvement. The taskforce expands downwards into each responsible unit or department, and is segregated into the financial risk team, product sales team, talents development team, marketing, and public relations team to incorporate corporate substantiality developments into daily operations. The Planning Department collates and documents the findings in written report for presentation to the Board of Directors and publication on the Company’s website.	None
2.Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		The Company has established the “Sustainable Development Best Practice Principles” and periodically reports to the Board of Directors for review. The Company places high importance in keeping communications with stakeholders, and divides the management procedures into several major areas including identification, prioritization, verification and examination in accordance with the Global Reporting Initiatives (GRI) sustainability reporting standards to discuss significant issues with senior managerial officers to form the basis for formulating guidelines and responsive measures, and to strengthen communications with stakeholders.	None
3.Environmental issues (1)Does the company establish proper environmental management systems based on the characteristics of their industries? (2)Does the company endeavor to utilize all resources more efficiently and use renewable materials	✓ ✓ ✓		(1) The Company has improved the existing operational procedures by publishing electronic copies of the documents and reports to reduce paper usage in line with our green policy. The Company has also in place a rostering system across all office premise to ensure that staff are onsite on the weekend or during the week to maintain the order of the workplace environment. Develop circular economy business and provide water resources reuse plan (2) The Company takes the initiatives to reduce office wastes and encourages recycling and	None

<p>which have low impact on the environment?</p> <p>(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?</p> <p>(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?</p>	<p>✓</p>	<p>improves the energy efficiency level of its office premise by opting for energy-efficient lights and water-efficient dispensers and procure higher percentage of energy-efficient products.</p> <p>(3) The Company has installed an energy-efficient and central control system at its corporate headquarter building and developed an energy-efficiency surveillance system to reduce consumption of power and CO2 emission, engage in circular economy business and provide water reuse plan. The Company also invested in the development of solar energy generation stations to generate clean energy and exploring new business ventures in green energy.</p> <p>(4) In recognition of the global climate change, calls for better use of resources and fulfillment of our corporate social responsibilities, the Company has established a system to measure and maintain a logbook of greenhouse gas emission, ensuring the information is documented internally and verification procedures are in place on the basis of controls on greenhouse gas emission sanctioned by the International Organization of Standardization, to be used as the reference for implementing improvement measures to reduce emission in future. Since 2018, the Company has been gradually propelling the construction and verification of its greenhouse gas management system to effectively manage the risks posed by greenhouse gas emission, while at the same time promoting its corporate image as an advocate for environmental protection. The main sources of the Company's greenhouse emission are power and fuel consumption. In response to the United Nation's goals for sustainable development and to develop the Company's corporate social responsibilities, we take the steps of "Environmental Protection, Energy Conservation and Love the Earth" in our daily operations. Our goal is to reduce the consumption of power and fuel to meet the target of reducing our greenhouse gas emission by 1% over the next three years. The company's water is mainly daily use by employees in office, and no manufacturing wastewater. we install water-saving devices in the office to reduce per capita water</p>	
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			consumption by 5% compared with the previous year and takes the initiatives to reduce office wastes and encourages recycling.	
4.Social issues				
(1)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company supports and complies with the spirit of human rights protection as outlined in the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Conventions, and adopts the “TOPCO Scientific Co. LTD Human Rights Policy.” In addition, pursuant to the Labor Standards Act, Act of Gender Equality in Employment, Employment Service Act and relevant laws and regulations, the Company also establishes relevant rules and regulations that can be found on the Company’s intranet for employees’ reference. (2) The Company has established the Remuneration Committee and the remuneration policy, performance and reward guidelines and employee safety and corporate standards that meet the criteria for corporate social responsibilities to offer employees a reasonable performance appraisal system under which employees are given appropriate recognition or disciplinary actions by way of receiving a promotion or bonus on the basis of their performance. The Company also has in place employee reward/disciplinary and benefits policy, which is published on the employee portal for reference and compliance to ensure that employees have a clear policy to follow. (3) The Company convenes regular “Investor Relation Meetings” to promote employer and employee negotiation and co-operation, and also organizes regular staff bonding camp and employee seminars to foster staff consensus building and internal communications. The Company has established a public mailbox to provide employees with an avenue to make personal recommendations and complaints, which are handled by the head of the human resources department. The Company runs the annual firefighting rehearsals and training on an annual basis, provides employees with health consultation services and breast feeding rooms, and arranges periodic health check-ups and health seminars from time to	None
(2)Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓			
(3)Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓			
(4)Does the company provide its employees with career development and training sessions?	✓			
(5)Does the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure	✓			

<p>policies implemented?</p> <p>(6) Does the Company established the supplier management policy, requiring suppliers to comply with the relevant laws and regulations governing environmental protection, occupational health and safety or labors rights and detailed its implementation status?</p>		<p>time encouraging employees to take health seriously and promoting the importance of workplace safety.</p> <p>(4) The Company has a comprehensive employee training plan in place and administers employee training passports, offering employees the various training resources and subsidies for professional training and studies towards a degree. The Company incorporates each employee's training hours as one of the indicators for performance review. In 2013, the Company was awarded the silver medal of the Taiwan TrainQuali System. Commencing from 2014, the Company introduced the "Corporate Learning Hub" under the "SME Learning" program administered by the Ministry of Economic Affairs to offer employee more diverse learning resources.</p> <p>(5) The Company's products and services are delivered in compliance with the industry standards and customer requirements and have been certified to meet the ISO9001 standards. The Company has published the Customer Complaint Procedures Handbook and After-sale Service Manual to provide standard customer service procedures and publish details of the contact person for the respective products on the Company's website.</p> <p>(6) The Company regularly conducts supplier review (including products and services) and select suppliers with a good track record to do business with. The Company invites suppliers to host seminars in line with the Company's quality policy and management philosophy. Besides requesting suppliers to increase their awareness for environmental protection and reduce pollution, the Company also gives preference to new suppliers/products with the awareness for environmental protection in mind so that the Company can partner with suppliers to jointly commit to fulfilling our corporate social responsibilities.</p>	
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<p>5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?</p>	<p>✓</p>	<p>The Company prepares the annual corporate social responsibility report of which the contents were included with reference to AA1000AP:2018, AccountAbility Principles and disclosures made with reference to the core disclosures published by the GRI. The contents reflect the execution of economic, social, and environmental issues and a comparison table is attached at the end of the report referencing the contents of the report to the GRI standards. For the purpose of improving information transparency and reliability, the Company appointed a third-party verification agency, the AFNOR Group to verify the report under Type 1 assurance of A1000:AS (2008) and core disclosures outlined in the GRI standards. The assurance report is attached in the Appendix section of this report. The financial information disclosed in this report are sourced from the audited financial statements.</p>	<p>None</p>
<p>6. If the Company has established sustainable development principles based on "sustainable development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any deviations between the principles and their implementation: Being a corporate citizen, the Company is dedicated to corporate governance, corporate undertaking, environmental protection, and carrying out community engagement with the goal of giving back to the society and ensuring the sustainable operation of the business. The Company's business operations are in line the Corporate Social Responsibility Best Practice Principles.</p>			
<p>7. Other important information to facilitate better understanding of the Company's sustainable development practices:</p> <p>(1) Environmental protection: The Company takes the initiatives to reduce office wastes and encourages recycling and improves the energy efficiency level of its office premise by opting for energy-efficient lights and water-efficient dispensers and procure higher percentage of energy-efficient products.</p> <p>(2) Social contribution: Introduce and distribute world pioneering, environmentally friendly and safe technology, and products to improve the quality of living.</p> <p>(3) Social charitable work:</p> <ol style="list-style-type: none"> 1. Since 2008, Topco has sponsored the "TSC Thesis Award" every year, the organizer of the "TSC Marketing Symposium" since 2016 to encourage innovation and research and partners with the various universities for industry and university collaboration to foster talents. 2. Active engagement in social charitable events and donated a total of NT\$3.58 million in sponsorship funds. 3. Topco set up a community service club "Topco Volunteer Club" and summoned employees to partake in the charitable mooncake making and thanksgiving luncheon events. <p>(4) Consumer rights: published the Customer Complaint Procedure Handbook and After-sale Service Manual to provide standard customer service procedures and publish details of the contact person for the respective products on the Company's website.</p> <p>(5) Human rights: The Company complies with the Labor Standards Act and the relevant laws and regulations to protect fundamental human rights and rights of employees. The measures are summarized below:</p>			

1. Administer labor insurance, national health insurance and pension fund contributions for employees in accordance with the Labor Standard Act. Institute the employee pension fund and publish the relevant personnel rules and guidelines on the employee portal for inquiry and compliance.
2. The Company respects basic human rights of all employees, and, in compliance with international standards, adopts the "TOPCO Scientific Co. LTD Human Rights Policy" that are applicable to all employees of the Company.
3. Demonstrating its emphasis on respecting human rights and putting it into practice, the Company takes into account a candidate's suitability for a job application on the basis of the candidate's qualification, experience and competency and provides equal employment opportunities irrespective of candidates' nationality, political party membership, race, religious belief, gender, age or disabilities. The Company currently employs individuals with intellectual or physical disabilities as well as mature age workers returning to the workforce. The Company strictly complies with the government's labor standard regulations and international laws governing abolishment of child labor and forced labor and does not employ anyone who is under the age of sixteen years old or enforce or threaten any of its employees into forced labor.
4. Education and training related to "Human Rights Policy" and "Code of Ethical Conduct" including:
 - (a) Educate employees on the relevant regulatory compliance measures including: elimination of forced labor, abolishment of child labor, anti-discrimination, anti-harassment, humanitarian treatment, providing a healthy and safe workplace environment and establishing a mailbox for reporting sexual harassment incidents to prevent such incidents occurring in the workplace and foster a friendly work environment.
 - (b) Provide online courses for anti-sexual harassment with contents such as : understanding the concept of sexual harassment, how to prevent sexual harassment and handling of sexual harassment incidents.
- (6) Safety and hygiene: The Company is committed to mitigating the harmful factors that place its employees' safety and health at risk, offering a safe and health work environment with the management goal of a "zero incident" rate. The Company implements stringent hardware facility standards as well as safe and hygienic operational procedures with a strong focus on the quality of services and occupational health and safety. The Company has appointed fully qualified employee health and safety officer and manager to carry out the various safety and health training and measures in accordance with labor safety and health regulations.

Measures include:

 1. The Company's office premise is installed with surveillance and access control systems to tightly control people entering and exiting the premise. Security guards are on-site round the clock to ensure the safety of employees.
 2. The office premise is maintained on a daily basis by dedicated personnel and subject to regular sanitization. Regular repair and maintenance on the interior office space is carried out with timely updates of equipment. The office premise is a non-smoking zone in line with the government's policy to promote non-smoking workplaces to provide employees with a smoke-free workplace environment.
 3. The building lifts are maintained regularly with emergency maps and exits clearly displayed. A complete set of emergency equipment such as the AED is regularly inspected, updated, and tested to ensure it is in good working order.
 4. Regular fire-fighting maintenance is carried out in the building and periodic fire-fighting seminars and general safety and health training are conducted to foster employees' awareness for emergency response and the ability to manage their own safety.
 5. Control of the quality of drinking water gives employees the assurance for safe drinking water. There is a comprehensive plan for testing the quality of drinking water from the

dispensers, which are maintained periodically in accordance with the regulations for managing drinking water. Results of sample water testing are documented and displayed near the water dispensers clearly visible to all.

6. Regularly arranges doctors to offer employees individual health consultation services; organizes health care workshops from time to time to foster employees' awareness for health. The Company has instituted breastfeeding rooms.
 7. The Company contracted major hospitals to offer employees health check-ups to safeguard the health of employees. Employees are also encouraged to participate in fitness activities such as the weekly badminton, aerobic yoga, and muscle training sessions. To coincide with the 30th anniversary of the Company and in response to big health business concepts, the Company hosted a marathon event and gifted all employees with a sport wristband equipped with the Easycard functions. The wristband's recording functions, and the Company's promotion of exercise ensures that we take care of our employees' health.
 8. The corporate headquarter has the Anyong Freshmart to offer employees healthy food and drink options. Anyong Freshmart partners with high-quality, fully certified suppliers and through rigorous food safety control, it offers employees high-quality and healthy breakfast and lunch services.
 9. Building a sports center for youth–elderly sharing: We invested over NT\$10 million in hardware to build a quality, affordable sports environment, promoted industry–academia collaboration, and provided internship and certification guidance. We also organized a range of courses and talks to help elderly people in local communities develop muscular strength and stimulate brain activities.
- (7) Pandemic Prevention: The company proactively implemented pandemic prevention to support the government and integrated organizational advantages to take care of the health employees and customers. our investee Health Supermarket under Anyong Fresh began to introduce a series of pandemic prevention activities, such as “free fish soup,” “free NaClO water,” and “Santé Premium Silver Perch Essence for medical personnel” to protect the health of employees and their family.
- (8) In response to the government's policy to revitalize baseball and to promote the local sporting environment, the Company established the Topco Scientific Co. Division A Social Baseball Team in 2011, and won the grand final of the 2014 “Popcorn Summer Baseball Competition” and the grand final of the 2016 and 2019 “National Adult Baseball Division A Spring Competition”. The Company also organized several baseball exchange competitions between Taiwan and Japan to facilitate international interactions and continues to undertake exchanges with Japanese and US baseball unions in an effort to contribute to the sport of baseball in Taiwan, we won the champion at the “2020 CTBA Cup National Competition” and will ceaselessly promote baseball in the public and develop young players to improve Taiwan's baseball development.

(VI) Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" :

Assessment Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
<p>1. Establishment of ethical corporate management policies and programs:</p> <p>(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p> <p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has formulated the "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct" and disclosed the aforesaid principles and policy on the Company's website. The Group's management philosophy is explained in the Company's "Management Policy" and on the website to openly demonstrate its ethical management policy. The Company's corporate governance managerial staff shall report the status of implementation to the Board of Directors and the management team while the Audit Office conducts audits periodically and from time to time and reports the results of the audits. The Company has also prepared the 2020 Corporate Social Responsibility Report to communicate its efforts and contributions on fulfilling corporate social responsibilities to its stakeholders.</p> <p>(2) The Company's management complies with the provisions of the "Ethical Corporate Management Best Practice Principles". The Company has put in place standard operational procedures to govern business transactions and operational and management policy to govern internal management. These policies and procedures have been uploaded to the employee portal to serve as the code of conduct and education/training of employees. The risk assessment and analysis mechanism of unethical behavior includes:</p> <p>(a) In the annual audit program established according to the outcomes of risk assessment, we</p>	None

Assessment Item	Implementation Status		Summary	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No		
<p>procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>			<p>have included “legal and regulatory requirements” and “risk of unethical behavior” as factors for risk assessment and have also reported them to the Risk Management Committee on December 21, 2021.</p> <p>(b) Including “Ethical Corporate Management Best Practice Principles” as part of the annual audit: In September 2021, the Audit Office already audited the “Ethical Corporate Management Best-Practice Principles,” including commitment and implementation, ethical management of business activities, avoidance of conflicts of interest, and the whistle-blower system. Audit conclusions: Currently, no severe violation has been found in the actual implementation of the “Ethical Corporate Management Best Practice Principles” and organizational regulations.</p> <p>(c) At the time of compiling the annual report, the Stock Affair Office will conduct a consolidated review of the status of implementation for the first half of the fiscal year and disclose quantitative statistics in the annual report, on the company’s website and in the prospectus. The aforesaid disclosed statistics is used as the basis for revising the direction of policy implementation and actions and recommendations for formulating the policy for preventing unethical conduct.</p> <p>(3) Under the framework of “Ethical Corporate Management Best Practice Principles” and “Codes of Ethical Conduct”, the Company has formulated management guidelines and</p>	

Assessment Item	Implementation Status		Summary	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No		
			<p>specific regulations to for different areas of regulatory compliance including: protection of confidentiality information, preparation of financial statements/internal controls, insider trading, protection of personal information, storage and destroying of documents. Subsidiary companies engaging in environmental protection and food industries have been certified to meet the IOS9001:2015 Quality Management System standards, the occupational health and safety standards and FSSC22000 and ISO22000 Food Safety Management System standards according to the nature of business operations, which are conducted in accordance with regulatory requirements.</p> <p>(a) The Company has established the “Whistleblowing Guidelines” to ensure that the “Code of Ethical Conduct” is implemented in practice and provides an email address on the Company’s website for reporting fraud and conduct that is in violation of the Code of Ethical Conduct. Any emails sent to the aforesaid address will be automatically forwarded to the audit manager.</p> <p>(b) The Company has purchased employee honesty insurance covering finance and procurement staff to reduce management risks.</p> <p>(c) Clearly set out the disciplinary actions for those in violation of the code of conduct and rewards for those that reported the incident in the “Guidelines for Employee Reward and Disciplinary Action”.</p> <p>(d) Internal Audit conducts audits in accordance with the annual audit plan approved by the Audit Committee and Board of Directors, and present the audit</p>	

Assessment Item	Implementation Status		Summary	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No		
			<p>results and recommendations for improvement to the Audit Committee, Board of Directors and the management team.</p> <p>Revisions to the procedures shall be submitted by the executing unit by in an application form and such revisions may only be made upon approval by the responsible manager and public announcement.</p>	
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Does the company have effective accounting and internal control systems in place to implement</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) All counterparty to the transactions with the Company are subject to assessment. Each unit is separately responsible for conducting business in accordance with the segregated duties approved by the board. Contracts and the relevant documents shall be submitted to the Legal Department for review and shall be approved by the responsible manager.</p> <p>Specific measures for ethical management include:</p> <p>(a) Commencing from May 2019, new suppliers for the Company’s business operations are required to agree to complying with and sign the Company’s “Statement of Corporate Social Responsibilities” at the time of evaluating the suppliers.</p> <p>(b) When evaluating a new supplier for equipment or the Company’s construction transactions, a signed copy of the “Corporate Social Responsibility Declaration” from the supplier must be obtained.</p> <p>(2) The Audit Committee, Remuneration Committee, Corporate Governance Committee, Risk Management Committee and Audit Office are established under the Board of Directors to supervise and audit the status of compliance of ethical corporate management within the</p>	None

Assessment Item	Implementation Status		Summary	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No		
<p>ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity ?</p>	✓		<p>scope of their respective responsibilities. The Stock Affair Office is responsible for formulating and supervising the execution of the Ethical Corporate Management Best-Practice Principles and the policy for preventing unethical conduct and shall report to the Board of Directors at least once a year. The implementation status for the 2020 fiscal year was presented at the board meeting held on Oct. 29, 2021.</p> <p>(3) The Legal Affair Office shall consult legal consultants on significant or doubtful cases according to the field of specialty.</p> <p>(4) In an effort to implement ethical corporate management, the Company has established accounting and internal control systems.</p> <p>A. The Accounting Department reviews transaction accounts in accordance with accounting principles and consult with the CPAs for significant or doubtful cases.</p> <p>B. Auditing Office:</p> <p>(a) In the annual audit plan established according to the outcomes of risk assessment, we have included “legal and regulatory requirements” and “risk of unethical behavior” as factors for risk assessment and have also reported them to the Risk Management Committee on December 21, 2021.</p> <p>(b) Internal audit staff conduct audits periodically and from time to time in accordance with the internal control systems.</p> <p>(c) Included the “Ethical Corporate Management Best Practice Principles” as part of the annual audit. The 2020 “Ethical Corporate Management Audit Report” was issued in</p>	

Assessment Item	Implementation Status		Summary	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No		
			<p>November 2020.</p> <p>(d) The establishment or amendment of the internal control system, such as the Internal Control Performance Standards, were consented by the Audit Committee and approved by the BOD.</p> <p>(5) The company promotes its ethical corporate management philosophy, which forms part of the company culture through meetings and activities. The Company also runs the relevant educational training programs periodically and from time to time:</p> <p>(a) New employee training: new employees attend the orientation program on the date of employment commencement with the Company. In the orientation, contents of the “Integrity Letter and Commitment” and “Employment and Confidentiality Agreement” are clearly explained to reinforce the importance of ethical conduct and disciplines required by the Company. A total of 254 employees completed a total of 508 hours of training during 2021, representing a training completion rate of 100%.</p> <p>(b) Internal training: training courses on compliance with trade secrets and personal information regulations, food labeling regulations, health management, quartz products and strategic commodity law have been conducted during 2021 with a total of 2673 attendees receiving a total of 3,075 hours of training.</p> <p>(c) External training: continuing education of staff includes: practical fraud prevention and detection, case analysis of false financial reports, new regulations</p>	

Assessment Item	Implementation Status		Summary	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No		
			on compensation for director and supervisor and corporate governance practice analysis, multinational business secret practice in the global market, food safety control system practice, occupational training of safety and health, etc. A total of 449 hours of training were completed.	
<p>3. Status for enforcing the Company’s Whistleblowing system</p> <p>(1) Does the Company established a specific whistleblowing and reward system, and set up convenient whistleblowing channels, designated appropriate personnel to handle the investigations, depending on the identity of the person being reported?</p> <p>(2) Does the Company established standard investigation procedures for whistleblowing matters, subsequent measures to take after the investigation is completed and the relevant mechanisms to ensure confidentiality?</p> <p>(3) Does the Company adopted measures to protect the whistleblower against inappropriate actions for whistleblowing?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Whistleblowing Guidelines and a mailbox (auto-forward to the audit manager) dedicated for reporting fraud and incidents of breaching the code of ethical conduct are published/available on the Company’s website and the process is handled in accordance with the Company’s management policy, “Guidelines for Employee Reward and Disciplinary Actions” and employee code of conduct. The Audit office conducts audits on the respective units periodically and from time to time to exercise its supervisory function and manage the respective risks.</p> <p>(2) The Company has established the “Whistleblowing Guidelines”, signed employee confidentiality agreement and the personnel involved are liable to ensure confidentiality. There was no incident reported during the 2020 fiscal year.</p> <p>(3) The Company’s whistleblowing procedures are confidentially carried out and there shall be no inappropriate actions against the whistleblower for whistleblowing.</p>	None
<p>4. Enhancing information disclosure</p> <p>Does the Company disclosed the contents of its Ethical Management Best Practice Principles and the effectiveness of the relevant</p>	✓		The Company upholds our management philosophy of “Integrity, Professionalism and Sharing” and made available the “Ethical Management Best Practice Principles”, “Code of Ethical Conduct” and “Whistleblowing Guidelines” on the Company’s intranet and corporate website	None

Assessment Item	Implementation Status		Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	
activities on its official website or Market Observation Post System?			(www.topco-global.com) for stakeholders' reference. The Annual Reports (also available on the corporate website and the Market Observation Post System) and Corporate Social Responsibility Report (http://csr.topco-global.com/) also include the relevant provisions and the results of implementing the Ethical Management Best Practice Principles.
5.If the Company has established Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", describe any deviations between the principles and their implementation: The Company has formulated the "Ethical Corporate Management Best Practice Principles" and disclosed the said principles on the Company's website. There is no deviation of the Company's implementation from the best practice principles.			
6.Other important information that facilitates the understanding of the implementation of ethical corporate management: None.			

(VII)Corporate governance principles, related guidelines, and the means of accessing this information:

The Company has formulated Corporate Governance Best Principles and the related guidelines and have disclosed the said principles and guidelines in the stakeholder section on the Company's website (<http://www.topco-global.com/webfront/pages/Invertor2.aspx>) and the knowledge management hub on the employee portal (<https://portal.topco-global.com/TopcoEIP/default-6.aspx#>).

(VIII) Other material information that can enhance the understanding of the state of the Company's corporate governance practices: None.

- (IX) Implementation of internal control system
1. Statement of Internal Control System

TOPCO SCIENTIFIC CO., LTD
Statement of Internal Control System

March 15, 2022

Based on the findings of a self-evaluation, TOPCO SCIENTIFIC CO., LTD (TOPCO) states the following with regard to its internal control system during year 2021 :

1. TOPCO's Board of Directors and management are responsible for establishing, operating, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and TOPCO takes immediate remedial actions in response to any identified deficiencies.
3. TOPCO evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. TOPCO has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, TOPCO believes that, on December 31, 2021, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of TOPCO's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the Board of Directors in their meeting held on March 15, 2022, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirmed the content of this Statement.

TOPCO SCIENTIFIC CO., LTD

Chairman : Jeffery Pan



President : Simon Tseng



Charles Lee



2. Companies which CPAs to professionally review the internal control system shall disclose the review report provided by the accountants: None.

(X) The Company and its personnel have been punished by law, the Company has undertaken disincentive measures for its personnel for breaching the internal control system, and any material deficiencies and revisions in the most recent year up to the publication date of the Annual Report : None

(XI) Material resolutions made in the Shareholders' Meeting and the Board of Directors in the most recent year and up to the publication date of this Annual Report :

1. Material resolutions from the 2021 Shareholders' Meeting and Implementation Status :

Implementation Status of the General Meeting of Shareholders on August 18, 2021

(1)Adoption of the 2020 Financial Statements.

(2)Adoption of the 2020 Earnings Distribution.

Note : 2020 Earnings Distribution of cash dividend at NT\$8.8 per share, which has been distributed on July 6, 2021.

2. Major resolutions of Board meetings :

Date of Meeting	Details of Resolutions
The 5th meeting, 11th BOD 2021.3.16	<ol style="list-style-type: none"> 1. Approved the Company's 2020 "Review of Internal Control System Effectiveness" and "Statement of Internal Control Systems" 2. Discussed the amount and method of distributing the remuneration to employees, directors, and supervisors for 2020. 3. Discussed the Company's 2020 Business Reports. 4. Discussed the 2020 standalone financial statements and consolidated financial statements prepared by the Company. 5. Discussed the distribution of the Company's 2020 earnings. 6. Convened the Company's 2021 general shareholders' meeting. 7. Discussion the period for accepting proposals and location for the Company's 2021 general shareholders' meeting. 8. Discussed the review of the suitability and independence of the Company's CPAs. 9. Discussed the CPA fees for 2020. 10. Discussed the resolutions of the Company's Remuneration Committee. 11. Discussed the amendment to the " Rules for Authorization and Deputy". 12. Discussed the replacement of the person in charge of the company's Tainan Branch. 13. Discussed the company applies to the bank for credit and financial transaction quota. 14. Discussed the endorsement/guarantee provided by the Company to affiliated companies.
The 6th meeting, 11th BOD 2021.5.7	<ol style="list-style-type: none"> 1. Discussed the consolidated financial statements and the independent auditors' review report for the first quarter of 2021. 2. Discussed the formulation to the "Policies and Procedures of risk management". 3. Discussed the resolutions of the Company's Remuneration Committee. 4. Discussed the company applies to the Bank of Panhsin for credit quota. 5. Discussed the endorsement/guarantee provided by the Company to affiliated companies.

Date of Meeting	Details of Resolutions
The 1rd extraordinary meeting, 11th BOD 2021.6.21	1. Discussion the proposal to invest in Tai ying industrial Corp.
The 2rd extraordinary meeting, 11th BOD 2021.7.13	1. Discussion the proposal to invest in Unitech Engineering Corp.
The 7th meeting, 11th BOD 2021.7.30	<ol style="list-style-type: none"> 1. Discussed the consolidated financial statements and the independent auditors' review report for the second quarter of 2021. 2. Discussed the re-setting of the date and place of the Company's 2021 general shareholders' meeting. 3. Discussion the proposal for approval in solar power station of Kuan Yueh Technology Engineering Co.,Ltd. 4. Discussed the company applies to the Bank for credit quota, forex and derivatives trading.
The 8th meeting, 11th BOD 2021.10.29	<ol style="list-style-type: none"> 1. Discussed the consolidated financial statements and the independent auditors' review report for the third quarter of 2021. 2. Discussion of the suspected capital financing for Fujian Jinhua Integrated Circuit Co. Ltd. by Suzhou Topco Construction Ltd. & Shanghai Chong Yao Trading Co., Ltd. due to Oct. 25, 2021 the for the extraordinarily long credit period of receivables. 3. Discussion the proposal to invest in Shih Her Technologies Inc. 4. Discussed the company applies to the Bank for credit quota, forex and derivatives trading. 5. Discussed the endorsement/guarantee provided by the Company to affiliated companies. 6. Discussed the resolutions of the Company's Remuneration Committee.
The 3rd extraordinary meeting, 11th BOD 2021.11.19	1. Discussion the proposal to Loan to Topscience(s) Pte Ltd.
The 9th meeting, 11th BOD 2021.12.24	<ol style="list-style-type: none"> 1. Discussed the Company's 2022 Audit Plan. 2. Discussed the Company's 2022 Business Plan. 3. Discussed the company applies to the Bank for credit quota, forex and derivatives trading. 4. Discussed the endorsement/guarantee provided by the Company to affiliated companies.
The 4rd extraordinary meeting, 11th BOD 2022.2.22	1. Discussion the proposal to invest in securities.

Date of Meeting	Details of Resolutions
The 10th meeting, 11th BOD 2022,3.15	<ol style="list-style-type: none"> 1. Discussed the 2021 standalone financial statements and consolidated financial statements prepared by the Company. 2. Discussed the review of the suitability and independence of the Company's CPAs. 3. Discussed the CPA fees for 2021. 4. Discussed the Company's 2021 Business Reports. 5. Discussed the amount and method of distributing the remuneration to employees and directors for 2021. 6. Discussed the distribution of the Company's 2021 earnings. 7. Discussion the proposal to invest in securities. 8. Approved the Company's 2021 "Review of Internal Control System Effectiveness" and "Statement of Internal Control Systems" 9. Discussion the proposal for the appointment of endorsement guarantee seal custodian. 10. Discussed the amendment to the " Procedures for Acquisition or Disposal of Assets ". 11. Discussed the amendment to the " Corporate Social Responsibility Best Practice Principles ". 12. Discussed the amendment to the " Corporate Governance Best-Practice Principles ". 13. Discussed the amendment to the " Internal control of computer operations ". 14. Convened the Company's 2022 general shareholders' meeting. 15. Discussion the period for accepting proposals and location for the Company's 2022 general shareholders' meeting. 16. Discussed the resolutions of the Company's Remuneration Committee. 17. Discussed the company applies to the Bank for credit quota, forex and derivatives trading. 18. Discussed the endorsement/guarantee provided by the Company to affiliated companies. 19. Discussion of the suspected capital financing for Beijing Shiyuan and Shiyuan Technology Engineering Co. Ltd. by Suzhou Topco Construction Ltd. due to Dec. 31, 2021 the for the extraordinarily long credit period of receivables.

(XII) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or supervisors regarding material resolutions passed by the Board of Directors' Meeting in the most recent year up to the publication date of this report:
None

(XIII) In the most recent year up to the publication date of the Annual Report, a summary of the resignation and dismissal of the Company personnel such as Chairman, President, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief R&D officer :
None