

**The 2019 Corporate Governance  
Evaluation System**

**January 2019**

# Introduction to the Corporate Governance Evaluation System

## **I. Preface**

The Financial Supervisory Commission ("FSC") issued a 5-year "Corporate Governance Roadmap ("Roadmap")" in December 2013, with an eye to accelerating steps to promote corporate governance, assisting sound corporate development, and safeguarding the interests of investors. One major project of the Roadmap is the implementation of corporate governance evaluation. The purpose is to provide comparisons of corporate governance performance among all listed companies so that investors and companies can better understand how well specific companies are implementing corporate governance. The FSC hopes that this evaluation system will spur companies to attach greater importance to corporate governance, thereby bringing about healthy corporate competition, raising the level of corporate governance, molding a corporate culture that encourages voluntary effort to improve corporate governance and overall enhance Taiwan's global standing.

Acting upon the Roadmap, the Taiwan Stock Exchange Corporation ("TWSE") founded the Corporate Governance Center ("Center") on October 25, 2013. Under FSC supervision and with cooperation among the Center and related NGOs, the Corporate Governance Evaluation System was then established, and evaluations have been conducted annually beginning from fiscal year 2014.

## **II. Overview of the Indicators**

The 2019 evaluation indicators have been issued. To read the indicators, please note the following key points:

### **1. Wording of the indicators**

The "Evaluation Indicators" column sets out the evaluation substance and scope of each indicator, e.g. the conditions to be met, the time period covered, and where disclosures should be made.

### **2. Types of indicators**

The "Type of Indicators" column classifies the indicators into the following five categories:

#### **(1) Type A Indicators**

Type A indicators evaluate general matters, including legal and regulatory compliance as well as good corporate governance practices and guidelines, the latter of which encourages companies to adopt a higher standard than mere legal compliance. Type A indicators apply to all evaluated companies.

#### **(2) Type B Indicators**

The content and issues evaluated by Type B indicators are the same as for Type A, but they are relevant only under prescribed circumstances, and thus may not be applicable to some companies.

#### **(3) Type AA Indicators**

Type AA indicators have higher weight in scoring. They evaluate good corporate governance practices, but in particular address those that in actual current practice in Taiwan are still "advanced" in nature, e.g. whether the company announces its annual financial reports within 2 months from the end of the fiscal year.

#### (4) Type A+ Indicators

Type A+ indicators allow for scoring by level of practice, i.e. a higher score is awarded if the company's performance reached a higher level in the specific area of corporate governance during the year under evaluation. For example, if the company disclosed the annual emissions of CO<sub>2</sub> or other greenhouse gases (GHG) for the past 2 years, it will receive one point in the category; if the content of the disclosure has been verified by an external institution, one extra point will be added to the total score.

#### (5) Extra Credit Indicators, Point Deduction Indicators

These indicators are grounds for points being specially added to, or deducted from, a company's evaluation score, and are described, respectively, below. After the evaluation task force has gathered and organized all of the relevant information, it submits the information to the Corporate Governance Evaluation Committee for deliberation and resolutions for extra credit or for deduction of points.

##### i. Extra Credit Indicators

These indicators award extra points when a company performed especially well in the area of corporate governance, or made concrete beneficial contributions in promoting corporate governance, during the year under evaluation, e.g. sustained investment in significant machinery and equipment for energy conservation or green energy related environmental sustainability, or issuance of or investment in green financial products whose funds are used for investment in green projects which are actually of benefit in improving the environment.

##### ii. Point Deduction Indicators

These indicators deduct points when a company has performed

deficiently in the area of corporate governance, e.g. if the chairman or a managerial officer has been convicted by a court of a crime of violating insider trading regulations. Incidents constituting grounds for point deductions are not necessarily limited to those occurring in the year under evaluation.

### III. Scoring Method

#### 1. Weighting of indicator categories

2019 Categories of Indicators and Weight

Category	Number of Indicators by Type			Number of Indicators by Category	Category Weightings
	A and B	AA	A+		
Protecting Shareholder Rights and Interests and Treating Shareholders Equitably	15	1	1	17	20%
Enhancing Board Composition and Operation	23	1	5	29	35%
Increasing Information Transparency	18	1	2	21	24%
Putting Corporate Social Responsibility into Practice	12	1	5	18	21%
<b>Total</b>	<b><u>68</u></b>	<b><u>4</u></b>	<b><u>13</u></b>	<b><u>85</u></b>	<b><u>100%</u></b>
Extra Credit Indicators	-	-	-	1	-
Point Deduction Indicators	-	-	-	1	-

## 2. Calculation of scores

### (1) Calculation of scores by type of indicator

Type of Indicator	Scoring Method
Type A	If the indicator is satisfied, one point is awarded; otherwise, not.
Type B	If the indicator is satisfied, one point is awarded; otherwise, not. If the exception conditions are met, the indicator is not applied.
Type AA	If the indicator is satisfied, one point is awarded in the category, and one additional point is awarded to the total score.
Type A+	If the basic requirement of the indicator is satisfied, one point is awarded in the category. If the advanced requirement for extra credit is also satisfied, one additional point is awarded to the total score.
Extra Credit Indicator	One point or more is added to the total score, depending on the matters addressed in the indicator.
Point Deduction Indicator	One point or more is deducted from the total score, depending on the matters addressed in the indicator.

(2) Calculating scores for a category

Scores for a category are calculated in the following manner:

$$\frac{\text{Number of satisfied indicators in the category}}{\text{Total number of applicable indicators in the category}} \times \text{category weighting}$$

(3) Calculation of the total score

The points for all categories are summed up to obtain the total score for all categories. (The maximum possible total score for the four categories is 100 points.) Any additional points and point deductions are then added or subtracted, as the case may be, e.g., any additional points for AA indicators and A+ indicators, and any extra credit points or point deductions, to obtain the final total score.

### 3. Example

A sample of the 2019 corporate governance evaluation results of TWSE listed company XXX is illustrated in the following table, which shows the points awarded in the four categories, and 2 points added and 3 points deducted, respectively, for the extra credit indicators and point deduction indicators:

Category	Total Number of Indicators	Points for Satisfied Indicators (Example)				Number of Inapplicable Type B Indicators (Example)	Weighting
		Type A Indicators	Type B Indicators	Type AA Indicators	Type A+ Indicators		
Category 1	17	9	0	-	1	1	20%
Category 2	29	20	-	-	3	1	35%
Category 3	21	10	-	1	-	-	24%
Category 4	18	12	-	1	1 (Only the basic requirement is satisfied)	-	21%
Extra Credit Indicators: 2 points							
Point Deduction Indicators: 3 points							

The score is calculated as follows:

[(Category 1 score) x assigned weighting + (Category 2 score) x assigned weighting + (Category 3 score) x assigned weighting + (Category 4 score) x assigned weighting] x 100 + (additional points for type AA indicators) + (additional points for type A+ indicators) + (additional points for extra credit indicators) – (points deducted for point deduction indicators) = Total score:

$$\left[ \frac{(9 + 1)}{(17 - 1)} \times 20\% + \frac{(20 + 3)}{29} \times 35\% + \frac{(10 + 1)}{21} \times 24\% + \frac{(12 + 1 + 1)}{18} \times 21\% \right] \times 100 + (1 + 1) + (1 + 3) + 2 - 3 = 74.16$$

## **IV. Self-Evaluations**

### **1. Self-evaluation period**

Self-evaluations for the year 2019 will commence on October 1, 2019, and must be completed by no later than January 31, 2020.

### **2. Self-evaluation process**

Prior to the self-evaluation commencement date, the Securities and Futures Institute will issue letters to notify each evaluated company of the self-evaluation system's website URL, the company's account number and password. Beginning from the commencement date, the company can log in the system and carry out its self-evaluation. The company can also log in again to make revisions at any time before the day the system is closed.

## **V. Questionnaires**

### **1. Questionnaire procedures**

In Q4 of 2019, questionnaires will be sent to the chief internal auditor and the external auditors of all the companies under evaluation, to collect their observations regarding the degrees to which the boards and board members of the companies under evaluation are conscious of and take seriously their duty to oversee corporate governance. The feedback and practical suggestions collected in the returned questionnaires will be gone through and organized, and will be used for reference in reviewing and cross-comparing the scoring of the evaluation indicators, assigning extra credit points, and making subsequent revisions to the indicators.

### **2. Questionnaire response period**

The chief internal auditor and the external auditors of the companies under evaluation are required to complete the questionnaires no later than December 31, 2019.

## **VI. Evaluation Schedule**

1. The Corporate Governance Center announced the 2019 corporate governance evaluation procedures and indicators in December 2018.
2. Self-evaluations will commence and questionnaires will be sent out in October 2019.
3. The Securities and Futures Institute will complete its review in March 2020.
4. The results of the 2019 corporate governance evaluations are to be completed in April 2020.
5. After public announcement of the evaluation results, commendations will be issued to recognize companies that have performed especially well.

## **VII. Other Information**

### **1. Companies subject to evaluation**

All companies listed on either the Taiwan Stock Exchange (“TWSE”) or the Taipei Exchange (“TPEX”) are evaluated. However, a listed company shall be excluded from the evaluation rankings if any of the following circumstances happened within the period under evaluation and before the announcement of the evaluation results:

- (1) A company listed for less than 1 year during the period evaluated.
- (2) A company whose securities have been placed under an altered trading method (pursuant to Article 49, 49-1, 49-2, or 49-3 of the Operating Rules of the TWSE, or to Article 12 of the TPEX Rules Governing Securities Trading on the TPEX).
- (3) A company whose securities are subject to a suspension of trading (pursuant to Article 50 or 50-3 of the Operating Rules of the TWSE, or to Article 12-1 of the TPEX Rules Governing Securities Trading on the TPEX).
- (4) A company whose securities have been delisted (pursuant to Article 50-1 or 50-3 of the Operating Rules of the TWSE, or to Article 12-2 of the TPEX Rules Governing Securities Trading on the TPEX).
- (5) Other grounds for exclusion from evaluation, as resolved by a meeting of the Corporate Governance Evaluation Committee.

### **2. Evaluation period**

The evaluations are conducted annually based on the corporate governance practices of the evaluation year.

### **3. Scope of information evaluated**

The 2019 evaluations will be based on information disclosed by evaluated companies from January 1 to December 31 in 2019, including: corporate governance information posted to the Market Observation Post System (MOPS) website, in annual reports and on official company websites; corporate governance incidents that occurred during the year; information on the operations or exercise of duties at the shareholders' meetings, board meetings, and the independent directors; the supervisory records of the FSC, the TWSE, and the TPEX; and information entered by companies on the self-evaluation website. However, the examination of information on material failures by a company to comply with corporate governance principles (i.e. incidents constituting grounds for point deductions) is not necessarily limited to those occurring in the year under evaluation.

### **4. Restrictions on use of the evaluation results**

(1) The Corporate Governance Evaluation shall be performed under due care to ensure that the various evaluation indicators are properly implemented and the information is transparent. However, the evaluation results merely reflect a company's corporate governance performance with respect to the indicators examined. All evaluated companies shall still act in accordance with their ethical corporate management best practice principles, and continue striving to safeguard shareholder rights and interests and achieve sustainable development.

(2) The corporate governance evaluation system is based on the predetermined scope of evaluation information and indicators. The sources of information are public information disclosed by evaluated companies during the evaluated year, such as annual reports and information posted to corporate websites and the MOPS website. For this reason, evaluation results only indicate

a company's corporate governance performance during the fiscal year evaluated, and cannot reflect a company's future level of corporate governance, or the prospect regarding the company's business performance and financial soundness. An evaluated company is prohibited from using the evaluation results for the purposes of commercial advertising or investment solicitations.

(3) This evaluation system has been designed by the TWSE Corporate Governance Center to carry out evaluations of all TWSE/TPEX listed companies. The results of self-evaluations conducted by companies on the basis of these evaluation indicators are intended only for use by the Securities and Futures Institute, and a self-evaluating company may not make its self-evaluation results public in any way.

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
<b>I. Protecting Shareholder Rights and Interests and Treating Shareholders Equitably</b>		
1.1	Did the articles of incorporation of the company adopt the candidate nomination system for election of all directors/supervisors? (If the company nominated an independent director who has already served for three consecutive terms, the reasons for continuing to nominate the candidate shall be fully and accurately disclosed on the Market Observation Post System (MOPS)).	AA
1.2	Did the company disclose in the minutes the numbers of votes cast "For" and "Against" as well as the number of "Abstentions" on each motion and, on the same day the AGM was held, disclose them on the designated Internet information reporting website?	A
1.3	Did one-third or more of the directors (including at least one independent director), and at least one supervisor if the company has any, attend the AGM, and did the company disclose in the minutes the names of those who attended?  <i>[If a majority of the directors, and in the case of a company that has an audit committee, the committee's convener, attended the AGM, one additional point will be added to the total score.]</i>	A+
1.4	Did the chairman of the board attend the AGM in person?	A
1.5	Is it true that there were no extraordinary motions passed in the AGM, and there were no changes to the agenda or motions within the 7 days prior to the	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	day of the AGM?	
1.6	Did the company hold the AGM before the end of May?	A
1.7	Did the company disclose the shareholders meeting agenda handbook and supplemental meeting materials on the designated Internet information reporting website 30 days prior to the day of the AGM?	A
1.8	Did the company provide its annual report 14 days prior to the day of the AGM?	A
1.9	Did the company simultaneously provide the Chinese and English versions of the meeting notice 30 days prior to the day of the AGM?	A
1.10	Did the company disclose the English versions of the meeting agenda handbook and supplemental meeting materials 30 days before the day of the AGM?	A
1.11	Did the company provide the English annual report 7 days before the day of the AGM?	A
1.12	Is it true that the company did not do the following: distribute remuneration to the directors/supervisors without distributing any dividend to the shareholders?	A
1.13	If the company distributed dividends during the year being evaluated, was the distribution completed within 30 days after the ex-dividend date?	B
1.14	Did the company disclose the implementation status of the AGM resolutions of the preceding fiscal year in the annual report?	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
1.15	Did the bylaws of the company prohibit insiders, including directors and employees, from using information not available in the market for personal gain, and were those bylaws disclosed on the company's website?	A
1.16	In the year being evaluated, was the average share pledge ratio among directors, supervisors, and substantial shareholders equivalent to or less than 50%?	A
1.17	Is it true that the company did not have any government agency or a single TWSE/TPEX listed company and its subsidiaries accounting for one-third or more of the board?	A
<b>II. Enhancing Board Composition and Operation</b>		
2.1	Has the company adopted corporate governance best practice principles and have they been passed by the board?	A
2.2	Did the company adopt a board diversity policy and disclose the status of implementation of the diversity policy on the company's website and in the annual report?	A
2.3	If the company's chairman and general manager or other equivalent officer (chief executive officer) are the same person or are spouses or first-degree relatives, has the company increased the number of independent directors and furthermore ensured that a majority of the board members are neither employees nor managers?	A
2.4	Is it true that there were no more than two directors	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	having a relationship of spouse or of kinship within the second degree?	
2.5	Is it true that the number of the directors on the company's board of directors who are employees of the company or of its parent, subsidiary, or sister company is less than or equal to one-third of the total number of directors?	A
2.6	Did the company's board members include at least one female director? <i>[If directors of each gender accounted for at least one-fourth of all of the directors, and furthermore there is at least one female independent director among the directors, one additional point will be added to the total score.]</i>	A+
2.7	Did the company voluntarily appoint more independent directors than is required by laws? <i>[If the company's independent directors reached one-half or more of all of the directors, one additional point will be added to the total score.]</i>	A+
2.8	Were the continuous terms of service of at least two independent directors not more than 9 years each?	A
2.9	Has the company adopted succession planning for board members and key executives, and disclosed the operational status of such planning on its website and in its annual report?	A
2.10	Did the company have an Audit Committee in compliance with regulations? <i>[If the company fully and accurately disclosed in the annual report the key tasks and status of operations</i>	A+

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	<i>of the Audit Committee in that fiscal year, one additional point will be added to the total score.]</i>	
2.11	Did the company fully and accurately disclose in the annual report the matters deliberated by the Remuneration Committee and the resolutions reached, and the company's handling of the members' opinions?	A
2.12	Did the company have a Remuneration Committee and were at least half of its members independent directors?	A
2.13	Did the Remuneration Committee convene at least twice a year and did each of its members attend at least two times?	A
2.14	Did the company have any functional committees other than statutorily required committees, and did such functional committees have not less than three members, with at least half of the members being independent directors, and did the company disclose the organization, functions, and operations of such committees?	A
2.15	Did the company disclose on its website how independent directors communicate with the chief internal auditor and the external auditors (e.g. the manner of communication, the matters discussed, and the results of such communication regarding the company's financial reports and its financial and operating status)?	A
2.16	Is it true that the chairman of the board, general manager (chief executive officer), or management in	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	charge of finance or accounting affairs was not employed within the past 1 year by the current external auditors or an affiliate thereof?	
2.17	Did the board regularly (at least once a year) review the independence of the external auditors and fully and accurately disclose the assessment procedures in the annual report?	A
2.18	Did the board hold meetings at least six times in the year being evaluated?	A
2.19	In the year being evaluated, did the average rate of actual attendance of all directors at board meetings reach 80% or more?	A
2.20	Were at least two independent director personally in attendance at each board meeting of the company, and was this furthermore disclosed in the annual report?	A
2.21	Has the company appointed a company secretary and disclosed on the company's website and in its annual report the scope of the company secretary's authority, the key tasks carried out by the company secretary that fiscal year, and the status of the company secretary's continuing education? <i>[If the post of company secretary is filled by a person not serving in any other position in the company, one additional point will be added to the total score.]</i>	A+
2.22	Have the rules adopted by the company for assessing the performance of the board of directors been passed by the board, and has it furthermore carried	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	out self-assessment at least once a year, and disclosed the assessment results on its website or in its annual report?	
2.23	Have the rules adopted by the company for assessing the performance of the board of directors been passed by the board, with the express requirement that an external assessment be carried out at least once every three years, and has it furthermore carried out the assessment within the time limit under its rules, and disclosed the implementation status and assessment results on its website or in its annual report?	AA
2.24	Has the company established an information security risk management framework, adopted information security policies and concrete management programs, and disclosed them on the company's website and in its annual report?	A
2.25	Did all of the company's independent directors complete the number of hours of continuing education required by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies? <i>[If all of the directors and supervisors completed the required hours of continuing education, one additional point will be added to the total score.]</i>	A+
2.26	(Deleted)	(Deleted)
2.27	Did the chief internal auditor/auditor general attend the board meetings to report on the internal audit	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	activities, and duly deliver or give notification of the internal audit report (including the follow-up reports) to each supervisor (or audit committee member) and independent director?	
2.28	Did the internal auditors factually disclose in detail any internal control system deficiencies and irregularities identified during examination by a competent authority, identified during internal audit operations, listed in the Statement on Internal Control, or identified in a self-evaluation or in a special audit by the external auditors, and did it follow up on corrective actions?	A
2.29	Is it true that no sanctions were imposed by the competent authority nor were any material deficiencies found by the TWSE or TPEX in connection with the operation of the control activities of the company's internal control system last year, and thus the company was not required to send its internal auditors to attend training courses held by a body designated by the competent authority?	A
2.30	Did at least one of the company's internal auditors possess a certificate of qualification as a Certified Internal Auditor, Certified Information Systems Auditor, or Certified Public Accountant?	A
<b>III. Increasing Information Transparency</b>		
3.1	Did the company comply with the Procedures for Verification and Disclosure of Material Information	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	of TWSE/TPEX Listed Companies and thus avoid incurring any monetary penalty?	
3.2	Did the company disclose material information in English and Chinese at the same time?	A
3.3	Did the company comply with the Rules Governing Information Reporting by TWSE and TPEX Listed Companies, and thus avoid incurring any monetary penalty?	A
3.4	Did the company file its annual financial reports within 2 months from the end of the fiscal year?	AA
3.5	Was the annual financial report in English filed to the MOPS by 7 days before the AGM? <i>[If the company voluntarily prepared and filed an English version of the financial report, one additional point will be added to the total score.]</i>	A+
3.6	Did the company website or MOPS disclose the interim financial reports in English?	A
3.7	Is it true that the company did not restate its financial reports for the year evaluated?	A
3.8	Did the company voluntarily disclose its financial forecast quarterly, without having any corrections ordered by the competent authority or having any demerits imposed by the TWSE or TPEX?	A
3.9	Did the company disclose the trends and developments of the industry in which the company operates from macroeconomic perspectives in its annual report?	A
3.10	Did the company disclose long-term and short-term business development plans in its annual report?	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
3.11	Did the company disclose future R&D plans and estimated expenditures in its annual report?	A
3.12	Did the company disclose a specific and clear dividend policy in the annual report?	A
3.13	Did the company voluntarily disclose the individual remuneration details of each director and supervisor in its annual report?	A
3.14	Did the company disclose the connection between director performance assessment and remuneration in its annual report?	A
3.15	Did the company voluntarily disclose in the annual report the amount and nature of any non-audit fees paid to the external auditor and its affiliates in addition to audit fees?	A
3.16	Did the company disclose on its website and in its annual report the list of substantial shareholders, including the names, number of shares held, and shareholding percentages, of the shareholders holding 5% or more of shares, or ranking among the top ten shareholders in terms of shareholding percentage?	A
3.17	Did the company website disclose information related to the company's finances, business and corporate governance?	A
3.18	Did the company provide an English website for investors to read, and did the website include information related to the company's finances, business, and corporate governance?	A
3.19	Did the company make information relating to its general meeting of shareholders available on its	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	website, including, at least, the most recent annual report to shareholders, the meeting notice, the agenda handbook, and the meeting minutes?	
3.20	Did the company attend or voluntarily hold investor conferences at least two times in the year being evaluated, and were the first and last investor conferences in the year held at least 3 months apart? <i>[If the company held at least one investor conference each quarter or held investor conferences to address the operating results of each quarter, one additional point will be added to the total score.]</i>	A+
3.21	Did the company's annual report disclose the individual remuneration details of the general manager (chief executive officer) and assistant general manager(s)?	A
<b>IV. Putting Corporate Social Responsibility Into Practice</b>		
4.1	Did the company have an adequate governance framework, by which to adopt and review corporate social responsibility policies, systems, or related management principles, and disclose the same on its website and in its annual report?	A
4.2	Did the company have a designated unit in charge of promoting ethical corporate management, with responsibility for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and disclose the unit's operations and implementation on the company's website and in its annual report, and did the unit regularly report to the board of directors?	A

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
4.3	Did the company regularly disclose on the company website and in its annual report its concrete plans for promoting corporate social responsibility and the results of the implementation of those plans?	A
4.4	Did the company, following internationally recognized guidelines, prepare and publish reports such as its corporate social responsibility report to disclose non-financial information of the company? <i>[If the company voluntarily prepared and published reports such as its corporate social responsibility report to disclose non-financial information of the company, one additional point will be added to the total score.]</i>	A+
4.5	Did the company obtain a third-party verification or assurance for reports disclosing non-financial information of the company such as its corporate social responsibility report?	A
4.6	Did the company, following the International Bill of Human Rights, adopt policies and concrete management plans to protect human rights, and disclose them on the company website and in its annual report?	A
4.7	Did the company sign a collective agreement with the labor union in accordance with the Collective Agreement Act?	A
4.8	Has the company adopted a policy to adequately reflect business performance or results in employee remuneration, and disclosed it on its website or in its annual report? <i>[If the company disclosed the status of adjustment</i>	A+

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	<i>of its average employee remuneration, one additional point will be added to the total score.]</i>	
4.9	Did the company disclose its employee welfare measures, retirement plan, and the implementation thereof on its website and in the annual report?	A
4.10	Did the company disclose on its website and in its annual report the measures it takes to provide its employees with personal security and a safe working environment and the implementation thereof?	A
4.11	Did the company disclose the annual emissions of CO <sub>2</sub> or other greenhouse gases (GHG) for the past 2 years? <i>[If the annual emissions of CO<sub>2</sub> or other greenhouse gases for the past 2 years have been verified by an external institution, one additional point will be added to the total score.]</i>	A+
4.12	Did the company set management policies for energy conservation, reduction of carbon/greenhouse gas (GHG) emissions, water use, or other waste/pollutants? <i>[If climate change issues are incorporated into the risk management procedures, one additional point will be added to the total score.]</i>	A+
4.13	Was the company ISO 14001 or ISO50001 certified or accredited with similar environmental or energy management system certification?	A
4.14	Did the company disclose on its website or in its annual report the identities, issues of concern to, channels of communication with, and means for	A+

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	responding to, stakeholders that it has identified? <i>[If the company regularly reported the status of communication with its various stakeholders to the board, one additional point will be added to the total score.]</i>	
4.15	Did the company disclose on its website or in its annual report its ethical corporate management policy, expressly prescribing its specific ethical management practices and its programs to prevent unethical conduct?	A
4.16	Did the company adopt and disclose in detail on its website a whistle blower system for company insiders and outsiders to report illegal behavior (including corruption) and unethical behavior?	AA
4.17	Did the company disclose on its website or in its corporate social responsibility report the supplier management policies it adopted, and require suppliers to comply with the relevant provisions regarding issues such as environmental protection, public safety, and health, and specify the status of implementation?	A
4.18	Is it true that the company was not subject to any administrative sanction imposed by the competent authority for labor disputes, pollution, product safety, or any other material violations of corporate social responsibility?	A
額外加、減分項目		

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
Extra Credit Indicators	<p>Did the company perform especially well in the area of corporate governance, or make concrete beneficial contributions in promoting corporate governance?</p> <ol style="list-style-type: none"> <li>1. Did the company voluntarily participate in any other corporate governance related evaluation system and receive certification?</li> <li>2. Did the company perform especially well in corporate governance, e.g. sustained investment in significant machinery and equipment for energy conservation or green energy related environmental sustainability, or issuance of or investment in green financial products whose funds are used for investment in green projects which are actually of benefit in improving the environment?</li> </ol>	
Point Deduction Indicators	<p>Did the company materially violate ethical corporate management best practice principles, corporate social responsibility, or the internal control system, or otherwise materially fail to comply with the corporate governance principles?</p> <ol style="list-style-type: none"> <li>1. Was the company or its responsible person named as a defendant in any litigation brought by the Securities and Futures Investors Protection Center?</li> <li>2. Did the company materially violate its internal control system, resulting in material loss or a significant sanction by the competent authority?</li> <li>3. Was the company subject to any significant administrative sanction by the competent authority, or to any search, litigation, or sentencing by a judicial agency, for any other circumstance in violation of corporate</li> </ol>	

## 2019 Corporate Governance Evaluation Indicators

Item No.	Evaluation Indicator	Type of Indicator
	<p>governance principles, including but not limited to insider trading, stock price manipulation, false financial reporting, defalcation of assets, managerial control dispute, tax evasion, labor-management dispute, product safety, environmental safety, or violation of corporate governance regulations?</p> <p>4. If the company is a financial or insurance enterprise, has any of its independent directors served for more than 3 consecutive terms?</p> <p>5. Other, e.g.: Did the company carry out any repurchase of shares into treasury stock, in which the repurchase execution rate was lower than 50% and the reason was obviously unreasonable?</p>	