2 Corporate Governance

2.1 Governance Operation

2.2 Economic Performance

2.3 Business Integrity

2.4 Risk Management

2.5 Information Security



Performance Results

More than half of the total number of independent directors

4 Independent Directors

12th Corporate Governance Evaluation

6~20%

Female Director

1

No major information security incidents

2.1 Governance Operation

Board Operation

The Board of Directors of Simplo Technology consists of seven directors, including three directors and four independent directors (more than half of the total number of directors). Directors are nominated through a candidate nomination system, and they are elected by shareholders at the shareholders' meeting through voting according to the Procedures of Director Election.

Simplo Technology respects the diversity policy of directors, and appoints directors based on meritocracy. The Board of Directors comprises individuals with diverse and complementary capabilities across various industries, including professionals with qualifications and work experience in management, legal affairs, industry sectors, and accounting. Each director serves a three-year term.

The Board of Directors convenes at least one meeting every quarter, totaling four meetings in 2025, with an overall attendance rate of 96.43%.

Management Goals	Status
More than half of the total number of independent directors	Achieved
There shall not be less than one director of different gender	Achieved note
Directors who also serve as company managers should not exceed one-third of the total board seats	Achieved

Note: Upon expiration of the term in 2026, one female director was added (term: May 29, 2026 to May 28, 2029).



Pursuant to the Rules of Procedure of the Board of Directors and the Audit Committee Charter, directors or committee members who have any interest themselves or on behalf of the corporation they represent in the agenda of the meeting shall explain the important content of their interests on site, recuse themselves from discussion and voting, and may not exercise voting rights on behalf of other directors or committee members.

All four independent directors of Simplo Technology meet the requirements of independence. In addition, one of the directors serves as a manager of the Company to support business development and operational needs. The Company has formulated the Rules Governing the Scope of Powers of Independent Directors, specifying that "when an independent director objects to or expresses reservations about any matters, it shall be recorded in the minutes of the board meeting," "the Company or the board may not obstruct, refuse, or evade the actions of independent directors in business execution," and "where independent directors deem it necessary for business execution, independent directors may request the board to appoint relevant personnel or may themselves hire professionals for assistance." This ensures that independent directors can fulfill their duties and effectively enhance the operation of the board and the Company's operating performance.

Board of Directors	Audit Committee	Remuneration Committee
7 members	4 members	3 members
4 meetings were held	4 meetings were held	4 meetings were held

Diversity of the board of directors

Name	Basic information							Industry Experience				Profession Ability	
	Nationality	Gender	Employee	Age				Battery Module	Operation and decisionmaking management ability	Marketing and Business promotion	Financial Management	Lawyer	Accountant
				41-50	51-60	61-70	71-80						
Sung, Fu-Hsiang	Republic of China	Male	V				V	V	V	V	V		
Sung, Wei-Jer	Republic of China	Male			V			V	V	V	V		
Bon Shin International Investment Co., Ltd. Representative: Kung, Wen-Lin	Republic of China	Male			V			V	V	V	V		
Independent Director Chiu, Kuan-Hsun	Republic of China	Male		V				V	V	V	V		
Independent Director Chu, Chih-Hao	Republic of China	Male			V			V	V	V	V		
Independent Director Kao, Chih-Ting	Republic of China	Male		V				V	V	V	V		
Independent Director Chen, Hsi-Chia	Republic of China	Female			V			V	V	V	V	V	

Note:
1.Following the Board re-election on 2026/5/28, female directors account for approximately 14% (1 of 7).
2.For each director's education and experience, please refer to the Simplo Technology official website / Board of Directors section.

Functional Committees

Remuneration Committee

Simplo Technology has established the "Remuneration Committee" in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". Members of the Committee are appointed by the Board of Directors. With Independent Director Chiu Kuan-Hsun as the convener, and independent directors Wang Chen-Wei and Lin Pi-Jung as committee members, 4 meetings were convened in 2025, with an overall attendance rate of 91.67%. Members of the Remuneration Committee shall, with a duty of care, faithfully perform the following powers and submit their recommendations to the board for discussion:

1. Regularly review the Remuneration Committee Organizational Charter and propose amendments as necessary.
2. Set and regularly review the annual and long-term performance targets, and the policies, systems, standards and structures of the remuneration of the Company's directors, supervisors and managerial officers.
3. Regularly review the achievement of performance targets of the Company's directors, supervisors and managerial officers and determine the content and amount of their individual remuneration.

Remuneration policy

According to Simplo Technology's "Remuneration Management Regulations", aligning with corporate governance and sustainable business development, a reasonable remuneration framework is established. This includes the "Board of Directors and Manager Performance Evaluation Measures", which implements corporate governance and enhances the functionality of the Board of Directors, establishes performance targets to strengthen the Board's operational efficiency, and effectively assesses manager performance, enhances operational efficiency, strengthens responsible management, and serves as a basis for remuneration, promotion incentives, and career development.

1. Purpose of the procedures: To incentivize managers to achieve and exceed company goals, create profits, enhance operational performance, and consider the reasonable correlation with future risks. Regular evaluations of manager remuneration are conducted in accordance with these goals.
1. Review process: The management procedures, systems, standards, and structures of remuneration are deliberated by the Remuneration Committee and subsequently submitted to the Board of Directors for approval. The Remuneration Committee consists of three independent directors and does not engage additional remuneration consultants.
2. Salary structure:
   (1) Remuneration includes cash remuneration, stock options, dividends and stock ownership, retirement benefits or severance pay, various allowances, and other substantial incentive measures.
   (2) Year-end bonus: Distributed annually based on the Company's operating performance and with reference to the industry standard.
   (3) Employee remuneration: The manager's remuneration will be paid after a comprehensive evaluation is conducted based on the overall performance within the scope of the manager's duties and the achievement of individual work goals.

Audit Committee

Simplo Technology has established the Audit Committee in accordance with the Securities and Exchange Act. The Audit Committee shall consist of all independent directors and shall be responsible for executing the duties specified in the Company Act, the Securities and Exchange Act, and other laws and regulations. With independent Director Chiu Kuan-Hsun as the convener, and independent directors Wang Chen-Wei, Lin Pi-Jung, and Chu Chih-Hao as committee members. All four independent directors meet the qualifications stipulated, including professional qualifications, work experience, independence, and limits on the number of concurrent independent directors' positions. The Committee convenes at least once a quarter and may hold a meeting at any time as needed. A total of four meetings were convened in 2025, with a total attendance rate of 93.75%.

Sustainability Development Committee

The Sustainability Development Committee has 3 members. Acting under the authority delegated by the Board of Directors, the Committee shall, with a duty of care, faithfully perform the following powers and report to the Board:

1. Formulate, promote, and strengthen the Company's sustainability development policies, annual plans, and strategies, etc.
2. Review, track, and revise the implementation status and effectiveness of sustainability development
3. Other sustainability-related matters, or matters resolved by the Board of Directors to be handled by this Committee

The term of the current committee members: May 29, 2026 to May 28, 2029.

For relevant information, please refer to our 2025 annual report.

Directors Training

Simplo Technology has 7 directors in 2025, who have participated in 46 hours of advanced training. All directors' advanced training hours meet the requirements of the "Key Points for Implementation of Advanced Training for Directors of Listed and OTC Companies." Please refer to page 29 of the 2025 Annual Report for details.

Title	Name	Training Date	Organizer	Course Name	Training Hours
Director / President	Sung, Fu-Hsiang	114/11/21	Securities and Futures Institute (SFI)	2025 Seminar on Legal Compliance for Insider Equity Transactions	3
Director	Chen, Tai-Ming	114/8/8	Securities and Futures Institute (SFI)	Lecturer for the Directors and Supervisors Continuing Education Program of TURN CLOUD TECHNOLOGY SERVICE INC.: "Legal and Transaction Practices in Mergers and Acquisitions"	1
		114/10/28	Taiwan Corporate Governance Association	2025 Fubon Insurance – AI Applications and Corporate Governance Seminar	3
		114/11/20	Securities and Futures Institute (SFI)	Directors, Supervisors and Corporate Governance Officers Program: "Impact of the Latest Amendments to the Securities Investor Protection Act on Directors' and Supervisors' Liabilities and Practical Responses"	3
		114/12/18	Importers and Exporters Association of Taipei (IEAT)	Challenges and Opportunities of ESG Risks in the Biotechnology and Pharmaceutical Industry	3
		114/12/18	Importers and Exporters Association of Taipei (IEAT)	Taiwan under a Changing Global Landscape	3
Independent Director	Wang, Chen-Wei	114/9/24	Taiwan Corporate Governance Association	Challenges and Strategic Thinking under the New Global Tax Order	3
		114/11/7	Taiwan Corporate Governance Association	Trade Secrets and National Security Compliance: Key Amendments and Case Studies	3
		114/11/12	Taiwan Corporate Governance Association	Latest Developments in Insider Trading Practices	3
Independent Director	Lin, Pi-Jung	114/8/20	Chinese Association for Company Management and Sustainable Development	Identifying Corporate Misconduct and Operational Risks through Financial Statements	3
		114/9/3	Chinese Association for Company Management and Sustainable Development	NVIDIA's Trillion-Dollar Miracle: New Perspectives on the Semiconductor Revolution Driven by AI	3
Independent Director	Chiu, Kuan-Hsun	114/7/9	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
		114/10/28	Taiwan Corporate Governance Association	2025 Fubon Insurance – AI Applications and Corporate Governance Seminar	3
Independent Director	Chu, Chih-Hao	114/11/13	Independent Director Association Taiwan	Major Overhaul of Financial Reporting: A Comprehensive Guide to IFRS 18 "Presentation and Disclosure in Financial Statements"	3
		114/12/8	Taipei Foundation of Finance(TFF)	Corporate Governance: Business Value and Digital Risks of Generative AI	3

Performance evaluation

To enhance the functionality and operational efficiency of Simplo Technology's Board of Directors, the "Board of Directors and Manager Performance Evaluation Measures" were established in 2020. Annual performance evaluations are conducted for the entire Board of Directors, individual directors, and each functional committee. The evaluation methods include internal self-assessments by the Board of Directors, directors, and members of functional committees. The results of these evaluations serve as reference for individual director remuneration and reappointment. The "Board of Directors Performance Evaluation Results" are disclosed on the Company's website. The comprehensive performance evaluation results for the Board of Directors in 2025 were all rated as "excellent" and were reported to the Board of Directors on March 9, 2026. For more information and results of the board performance evaluation, please refer to our 2025 annual report and official website.

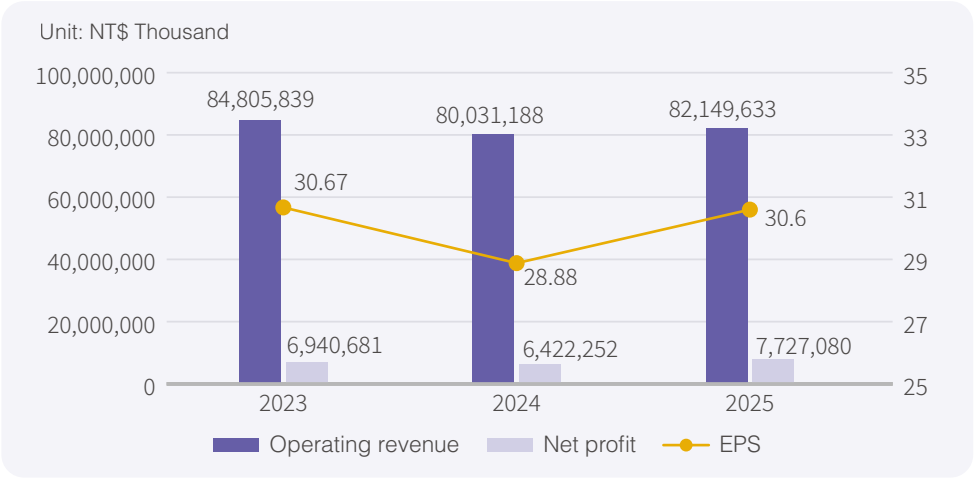
2.2 Economic Performance

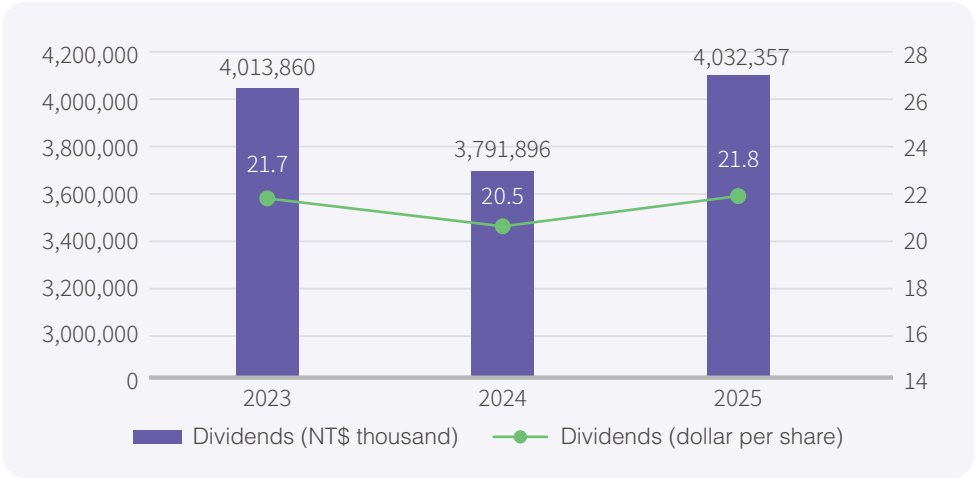
Financial information

Unit: NT$ Thousand ; EPS: NT$

Item	Detail	2023	2024	2025
Direct economic value generated	Operating revenue	84,805,839	80,031,188	82,149,633
Economic Value of Distribution	Operating costs	73,138,812	68,695,725	69,461,448
	Employee salary and benefits	4,670,416	4,354,659	4,593,644
	Dividends to shareholders	4,013,860	3,791,896	4,032,357
	Income tax expenses	1,851,182	1,783,285	2,214,362
	EPS	30.67	28.88	30.60

Note:
1. The table above is of the data from the consolidated condensed statements of comprehensive income, including subsidiaries of the Group.
2. Source: 2025 Annual Report of Simplo Technology Co., Ltd.





Tax information

Tax Policy

1. The Company shall file tax returns honestly and pay taxes in accordance with the tax laws and regulations of its location, and shall not engage in tax evasion or illegal tax avoidance.
2. Subject to compliance with applicable regulations, the Company conducts reasonable tax planning to reduce its overall tax burden and enhance shareholder value.
3. All transactions shall reflect economic substance and shall not be arranged solely for tax purposes.
4. Ensure that financial statements and tax information disclosures are complete and consistent.

	Unit	2023	2024	2025
Net income before tax for the period	NT$ thousand	8,414,464	8,105,840	9,351,043
Income tax expenses	NT$ thousand	1,851,182	1,783,285	2,214,362
Effective tax rate	%	22%	22%	24%
Payment of income tax	NT$ thousand	2,673,425	3,237,982	2,198,727
Cash tax rate	%	32%	40%	24%

Source: 2025 Consolidated Financial Statements of Simplo Technology Co., Ltd.



2.3 Business Integrity

Material Topics | Business Integrity

Simplo Technology adheres to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and related ethical guidelines. The Company has established the "Simplo Technology's Procedures of Ethical Corporate Management Best Practice Principles and Code of Conduct", which employees are required to follow. Every employee is required to sign a commitment to protect intellectual property rights, maintain business information confidentiality, and adhere to the integrity and honesty policy. Regularly reports to the Board of Directors on the implementation of the ethical corporate management policy and the prevention of dishonest behavior. Additionally, it conducts educational training and internal advocacy. Simplo Chongqing has also established business conduct and code of ethics procedures and anti-commercial bribery management regulations. In 2025, the Company did not experience any bribery or corruption incidents.

Internal audit system

Simplo Technology conducts internal audits in accordance with the "Internal Control Handling Guidelines" and other relevant regulations. In accordance with the annual audit plan approved by the Board of Directors, audits are conducted on various operational aspects of the Company. Audit results are submitted monthly to the Audit Committee members and independent directors for review, and quarterly by the Head of Audit to the Audit Committee and the Board of Directors. If necessary, the audit unit will request relevant departments to propose improvement measures and track their implementation.

Business integrity education and training

Simplo Technology follows the "Ethical Corporate Management Guidelines" and the "Procedures of Ethical Corporate Management Best Practice Principles and Code of Conduct", requiring employees to adhere strictly. On the day new employees join the Company, the HR unit is responsible for explaining the importance of ethical corporate management and integrity in operations, and employees sign the "Commitment to Integrity and Honesty Policy" to ensure compliance with relevant regulations.

In addition, the China and Vietnam plants have established Business Conduct and Code of Ethics procedures and anti-commercial bribery management regulations, and also require new employees to sign the "Employee Confidentiality and Professional Conduct Commitment" and the "Commitment to Refuse Gifts and Entertainment" upon joining. Every six months, all employees are reminded of the commitment to refuse gifts and entertainment, further strengthening employees' awareness of business integrity.

Simplo Taiwan provides anti-corruption training for new employees, covering topics such as business integrity and an introduction to RBA. The China and Vietnam plants also conduct annual anti-corruption training for existing employees. The annual training for all employees includes two courses, "RBA Training" and "Code of Ethics Training," while training for new employees includes "RBA Introduction Training," with a training coverage rate of 100%. Learning effectiveness is assessed through tests, and training is only considered complete once the score set by each site is achieved. In 2025, the Group's total training hours amounted to 10,045 hours, with 5,662 employees trained. Training statistics by region are shown below:

Anti-corruption training in 2025

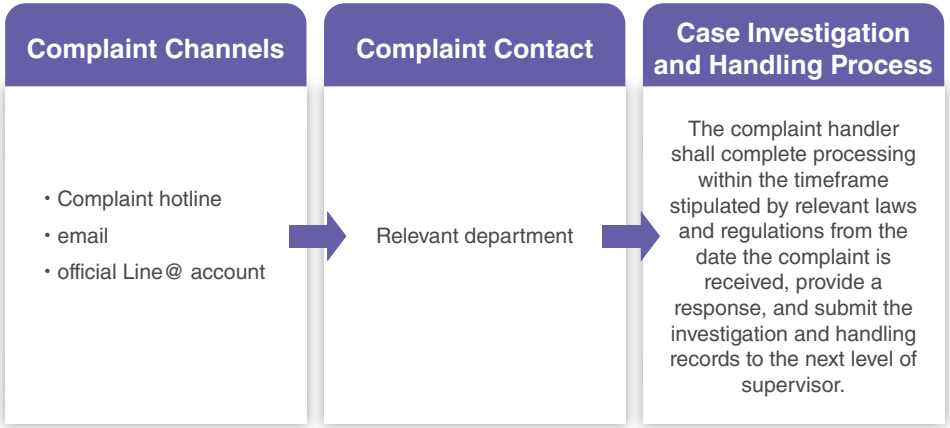
Site	Number of trainees	Training hours	Proportion of trained employees (%)
Simplo Taiwan	77	38.5	100%
Simplo Chongqing	1,980	3,321	100%
Chongqing Trend Power	407	770	99.3%
Simplo Changshu(including Huapu)	2,960	5,678	100%
Simplo Vietnam	238	238	100%

Note:
1. Simplo Taiwan figures only count training of new employees.
2. Simplo Taiwan's employee training ratio = number of new employees trained / number of new employees on payroll at year-end.
3. Each site's employee training ratio = number of trainees ÷ total number of employees on payroll at year-end.

Whistleblowing Channel

Simplo Technology has established dedicated grievance channels, including grievance hotline, e-mail, official Line@ account, new employee return visit, employee suggestion box, and WeChat public platform. These channels facilitate immediate and convenient communication and complaints, aiming to uphold employee rights and promote harmonious development.

The Company has established a whistleblower protection mechanism aimed at ensuring the confidentiality and anonymity of whistleblowers and their reported information. Employees can anonymously or openly report through various grievance channels. Upon verifying the allegations, if found true, immediate actions will be taken to cease the reported behavior and implement appropriate measures. If necessary, legal procedures may be pursued to seek compensation for damages, with reports also provided to the Board of Directors. The reporting channel is described as below:



Sexual harassment grievance mechanism

Simplo Technology has established the "Sexual Harassment Prevention Measures and Complaint Disciplinary Measures", and has released the "Implementation Plan for Preventing Unlawful Workplace Infringement" (including a statement), announcing the grievance hotline and email address internally.

Legal compliance

Simplo Technology emphasizes integrity, fairness, and compliance with the law. It strictly prohibits employees from engaging in bribery, corruption, or giving or receiving gifts or hospitality from suppliers, customers, and stakeholders that are not in line with commercial etiquette. Regarding labor, labor safety, information security, environmental protection, finance, intellectual property rights, trade secrets, and various commercial regulations, aside from complying with the government regulations of the headquarters in Taiwan, the same standards are also followed for the regulations of local governments where the Company's overseas branches are established.

The Company has set up legal specialists responsible for legal compliance and legal consultation. They regularly conduct identification and audits of regulations every six months to reduce and control business risks, safeguarding the rights of the Company's employees and shareholders. For updates related to financial or tax regulations, the Company consults with Deloitte Taiwan and participates in regulatory update seminars organized by the TPEx to stay informed about the latest standards. In 2025, the Company reported no significant instances of non-compliance with applicable laws and regulations.

2.4 Risk Management

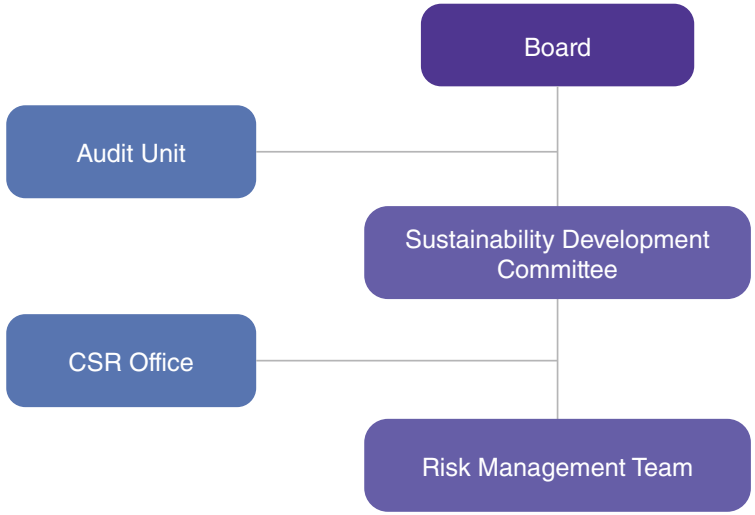
Material Topics | Risk Management

Risk policy and organization

The risk governance organization of Simplo Technology, with the Board of Directors as the highest management unit, approved the "Risk Management Policy and Procedures" in 2021.

To strengthen corporate risk management capabilities, build corporate resilience, and move towards the goal of sustainable operations, reference ISO 31000 for systematic implementation of risk management, and establish a "Risk Management Task Force" (as shown in the diagram below).

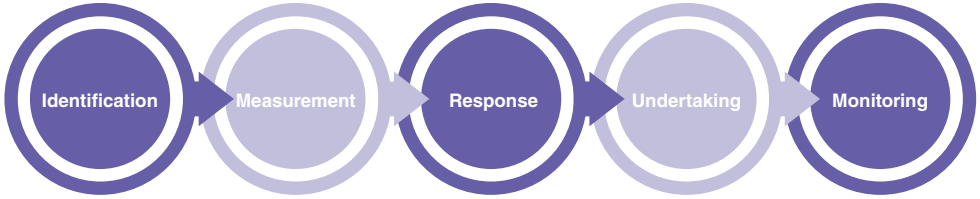
Risk management organizational chart



Risk operation process



Risk category	Responsibilities
Operational risk	Pay attention to contingency handling for market competition, and analyze market trends and business models.
Financial risk	Regularly evaluated by a certified accounting firm
Information security risk	Stability of IT equipment and data backup management to prevent system operation interruptions, affecting production and operations.
Compliance risk	The responsible unit fully understands and executes the regulations in its field and keeps up-to-date with new trend and knowledge in a timely manner.
Climate-related risk	Establish backup energy and equipment defense mechanisms to maintain uninterrupted factory operations.
Human rights risk	Abide by labor-related regulations and RBA standards to reduce the risk of labor disputes.
Safety risk	Regularly track relevant international regulations, collect customer requirements for product environmental sustainability, and carry out development in advance.



To strengthen the "Risk Management Task Force's" understanding of risk management, risk management education and training is held on an irregular basis. The course content includes: Global risk trends, international risk management standards, FSC's guidelines on risk management for listed companies, and practical aspects of corporate risk management. Conduct risk questionnaires after class and develop countermeasures.

The questionnaire content is based on international trends, customer requirements, regulations, and industry information to identify four major categories of risks, including "Strategic", "Operational", "Environmental", and "Hazardous", which further elaborates on 12 specific risk issues within these categories.

Score = [Frequency of occurrence (A) x Degree of impact (B)] x Degree of control (C)

Risk category	I. Strategic aspect	II. Operational aspect	III. Environmental aspect	IV. Hazardous aspect
Issues	Geopolitics	Information Security	Carbon management	Emergency
	Market competition	Legal compliance	Renewable energy	Natural disasters
	Technological research and development	Talent cultivation	Supply chain carbon reduction	Health and safety

Risk response

1. Supply chain carbon reduction (Refer to: 3.1 Supply Chain Management Strategy)
2. Talent cultivation (Refer to: 6.3 Talent Cultivation and Development)
3. Market competition (Refer to: 1.1 Company Profile)

2.5 Information Security

Material Topics | Information Security

Information Security Management Policy

To protect Simplo Technology's information assets from intentional or accidental damage and to ensure the sustainable corporate operation, information security policy has been formulated to confirm the security of the Company's key information assets, including:

- Confidentiality: Ensuring that only legally authorized users can access information.
- Integrity: Ensuring the correctness and integrity of information and information processing methods.
- Availability: Ensuring that authorized users have access to information and related assets whenever needed.
- Compliance: All personnel must comply with relevant laws (such as the Trade Secrets Act, Copyright Act, and Personal Data Protection Act).

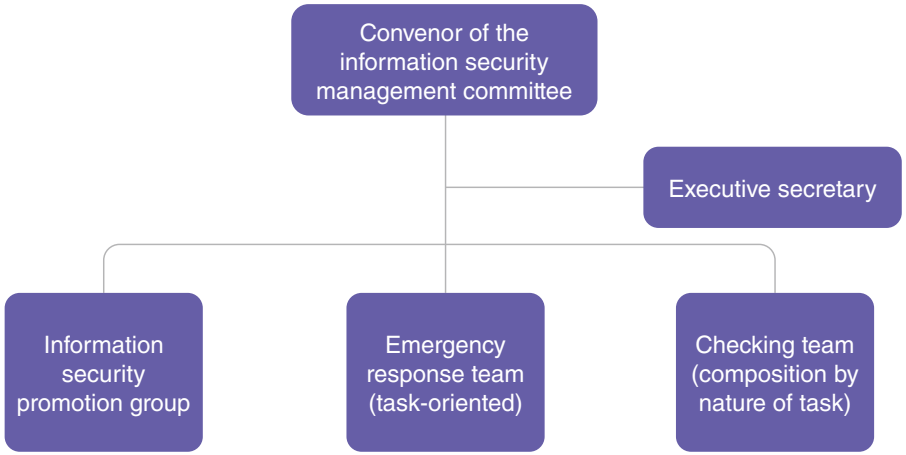
Through the management of this policy, the Company clearly declares its support for the objectives of information security, ensuring that relevant personnel adhere to the information security requirements and related legal regulations. This approach reduces the impact of any information security incidents, continuously operates and improves the information security management system, and protects the interests of the Company and its customers.



Organization and Operation of Information Security Management

Simplo Technology has established an Information Security Committee responsible for implementing information security-related regulations. Simplo Technology holds monthly information security meetings to review the implementation status of information management plans and keep abreast of emerging information security issues.

The information department regularly participates in internal corporate information security-related meetings to ensure the implementation of the information security management policy; the Audit Office serves as the auditing unit for overseeing information security, conducting annual information security audits on the electronic data processing cycle of the internal control system to assess the effectiveness of the Company's information operational control, and reports the results regularly to the Board of Directors.



Passed ISO 27001 certification

Simplo Technology's Taiwan headquarters introduced the Information Security Management System (ISMS) in 2023, and obtained third-party ISO/IEC 27001 information security management system certification. The scope of certification includes information service infrastructure and information management operational processes. By introducing the information security management system, the Company not only enhances its information security protection, but also protects the interests of both the Company and its customers. The Company passed the third-party ISO 27001 review audit in 2025, continuously adhering to information security management regulations to safeguard the Company's information security.

Information security training and promotion

New employees of the Company receive basic information security education and training upon joining. The IT Department also conducts information security awareness campaigns for current employees from time to time through the Company's internal portal or email. In 2025, three information security courses were offered, delivered via online viewing with a post-course test (passing score ≥ 80; those who do not pass are required to retake the test, and only after passing will it be recorded in the individual's learning record).

Trainee Group	Training Course	Number of Trainees	Pass Rate
Simplo Taiwan	Information Security Threat Trends	285	82%
	Social Engineering		
	OA Information Security Management		

Evaluation and Response Measures for Information Security Risk

- Simplo Technology has established Risk Evaluation Guidelines in response to information and communications security risks.
- Manage risks for critical information assets and core systems based on the level of impact from factors such as value, vulnerabilities, and threats.
- Establish a data backup mechanism: Formulate standard operating procedures such as backup and disaster recovery control methods, and conduct irregular disaster recovery tests each year to ensure the normal recovery of information systems and lower the risk of system interruption caused by unforeseen natural disasters or human errors.

✓ In 2025, there were zero major information security incidents leading to business damage.

- Deployment of technology-related information security functions: Including network firewalls, email security systems, antivirus systems, operating system updates, and system vulnerability scanning to control and reduce information security risks.
- Users' computer information security management

✓ Ensure the confidentiality, completeness, and availability of the Company's information data.

- Establish security policies for employees' email management, Internet usage management, computer system resources management, computer antivirus management, file access control, and remote access management.