

# Succession Planning for Board Members and Key Management Personnel

The company must, in accordance to its own development direction and goals, plan for a successor who possess not only professional ability, but also the personality traits of honesty and integrity and one who holds values that are consistent with the company.

- **Succession planning for Board of Directors:**

The composition of the Board of Directors and formulate appropriate diversity guidelines for its operations, business model and development needs, including but not limited to the following two major criteria:

1. Basic conditions and values include gender, age, nationality, and culture, among others.
2. Professional knowledge and skills: Professional background (e.g. legal, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc.

Each board member shall have the necessary knowledge, skill, and ability. To achieve the desired objectives of corporate governance, the board as a whole must have abilities that include: Business judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership, decision-making, sustainable management, risk management, and climate change management.

In accordance with Article 10 of the "Rules for Performance Evaluation of Board of Directors", the results of individual director performance evaluations will serve as a reference for the renomination of directors in the next term and the determination of their individual compensation.

To help directors maintain core values and professional competencies, the Company arranges more than six hours of training courses for directors each year.

Re-election of directors was carried out on 25th shareholders' regular meeting in 2023, with 9 directors (including 3 independent directors) determined at the 24th meeting of 24th board meeting on January 5, 2023. After comprehensive consideration by the Corporate Governance and Nomination Committee (renamed as the Remuneration and Nomination Committee starting from the 25th term of the board), the following matters were reviewed and approved on February 14, 2023. The proposed candidates for directors were submitted for resolution at the 25th meeting of the 24th term of the board on February 22, 2023.

1. Whether the director candidate has the professional knowledge, skills, and experience required for the operations of the Company, with diversity, such as gender, in mind.
2. The independent director candidate's qualifications, professionalism, independence, integrity, and concurrent positions held at other companies, in accordance with the requirements of the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and other relevant rules and regulations of the Taiwan Stock Exchange.
3. Whether the director candidate meets the qualifications and requirements set forth in Article 30 of the Company Act, and the nomination shall also be handled in accordance with Article 192-1 of the Company Act.

- **Management succession plan:**

1. The company regularly reviews and selects potential talent at all levels, establishes a talent pool, plans successors in advance, and initiates training programs. The training content covers professional skills, management skills, personal development plans, and cross-departmental job rotations, cultivating employees' diverse perspectives and professional skills. Through participation in goal meetings, management meetings, and project tasks, decision-making thinking and problem-solving abilities are enhanced, and performance evaluations and personal development guidance are regularly conducted by senior management.
2. Regularly hold "Expanded Management Meetings" to promote cross-department communication and interaction with the senior management team, enhancing team cohesion and management vision. In addition, the company provides training courses for middle managers, covering problem-solving, work improvement, communication skills, and subordinate development, and strengthens management capabilities and leadership skills through case studies and role-playing learning methods.
3. Establish complete training records, regularly review talent development plans, and dynamically adjust according to organizational needs. Through cross-functional or interdepartmental (factory) job rotation, project task execution, job sharing, or secondment to investee companies, enhance management skills and broaden international perspectives. At the same time, the company encourages mid to senior-level talents to independently propose further education, study, or internship plans, and provides resource support and job adjustments to strengthen the diversity and resilience of human resources.