Succession Planning for Board Members and Key Management

<u>Succession Planning and Operations for Board Members</u>

The board of directors follows a candidate nomination system as stipulated in the company's bylaws for the selection of directors. After considering the requirements set forth in the " Procedures for Election of Directors " and "Corporate Governance Best Practices" established by the company, such as board structure, diversity policies, professionalism, and qualifications, the candidates are presented to the shareholders' meeting for approval following the board's decision.

The composition of the board should reflect diversity, with no more than one-third of the directors concurrently holding executive positions within the company. Diverse policies are developed based on the company's operations, business type, and developmental needs. These policies cover two major aspects, including but not limited to:

I. Basic Characteristics and Values: Gender, age, nationality, and culture.

II. Professional Knowledge and Skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), specialized skills, and industry experiences.

The company nurtures the professional abilities of internal managers to build a talent pool for potential future directors. Simultaneously, external professional talent is sought to prepare for succession planning among the board of directors. In the case of independent directors, they are required by law to possess professional work experience, and the company actively seeks talents from various fields within academia and the industry to serve as independent directors.

<u>Succession Planning and Operations for Key Management</u>

Successors for important management positions within the company are expected to possess strategic thinking abilities, management integration skills, and the capability to uphold the company's business philosophy and management experience. Clear job role planning and designated deputies for each important management position are established within the company.Through annual end-of-year strategic planning meetings, a thorough understanding of the company's three-year strategic objectives is achieved. Assignments and responsibilities for important projects and tasks are delegated and promoted. Rotation across different teams and participation in company operational policies and major meetings are also part of the process. This approach fosters leaders who excel in strategic planning, decision-making, team leadership, and human relations.Subsequently, potential successors are assessed from this pool of leaders to facilitate succession planning within the key management positions of the company.

The company regularly conducts visits, feedback sessions, and performance evaluations to monitor the progress and development of potential successors. Quarterly reviews assess goal attainment, and periodic performance evaluations are carried out.