

# **Succession Planning for Board Members and Key Management Personnel**

## **I. Succession Planning and Operations for Board Members**

The Company's directors are elected at the shareholders' meeting in accordance with the Company's "Articles of Incorporation" and the "Board Member Election Rules," using a candidate nomination system. Candidates for the next board term are nominated by the Board of Directors or shareholders holding more than 1% of the Company's shares. Nominations are based on the Company's operational needs, future development strategy, candidates' professional expertise, and the board diversity policy. Suitable candidates may be selected from among current directors, senior executives, or external professionals to form the most optimal board structure and composition.

The structure of the Company's Board of Directors is determined by considering the scale of the Company's business development, respecting the shareholding ratio of major shareholders, and bringing in independent directors who can contribute to the Company. Decisions on board changes are not based on personal preferences, but rather on practical operational needs.

To implement the board diversity policy, strengthen corporate governance, and promote the sound development of the Board's composition and structure, the Company has established a diversity policy for board members in its "Corporate Governance Best Practice Principles." This policy is designed based on the Company's operations, business model, and development needs. In addition to emphasizing diversity in basic conditions such as gender, age, and values, it also includes professional backgrounds (e.g., accounting, industry, finance, marketing, technology, law), as well as diverse professional knowledge and skills, including industry experience. To enhance corporate governance and improve the Board's effectiveness, the Company conducts an internal board performance evaluation at least once a year, in accordance with its "Rules for Performance Evaluations of the Board of Directors." This performance evaluation mechanism ensures the effectiveness of the board's operations and the results of the evaluation are used as a reference for future board member nominations and reappointments.

Regarding Board's succession planning, the Company arranges for key senior management members to join the board, allowing them to become familiar with and grasp the Board's operations and the operational status of various divisions within the Group.

## **II. Succession Planning and Operations for Key Management**

The Company has always adhered to the business philosophy of honesty, integrity, transparency and selflessness, so it pays special attention to these personality traits when cultivating successors. Additionally, due to the fierce competition and rapid change of high-tech industry, the Company attaches great importance to young employees with professional abilities. Currently, the Company places potential successors in the position of senior executives to receive training, gain extensive exposure and take charge of specific operations.

Potential successors are trained in comprehensive business and management capabilities by participating in key management meetings, management function courses, and other training programs. In alignment with the Company's operational management challenges at various stages, potential successors undergo progressive training to ensure smooth transitions in key management positions. This ensures the achievement of the Company's operational goals at each stage and fulfills its corporate social responsibility for sustainable operations.