

Diversity and independence of the Board of Directors

Diversity of the Board of Directors:

Pursuant Paragraph 3, Article 20 of the Company's Corporate Governance Best-Practice Principles, the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. International market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Regarding the composition of the current board of directors, two directors are aged 51–60 years, and six directors are aged 61–70 years; all directors possess knowledge of the industry, the ability to conduct management administration, the ability to lead and make decisions, and areas of expertise in finance, accounting, construction, and medicine. The Company adopts a candidate nomination system for its composition of Board of Directors. In addition to evaluating each candidate's academic qualifications, the Company takes into account opinions of stakeholders and complies with the regulations set forth in the "Method of Election of Directors," "Corporate Governance Best-Practice Principles," and "Articles of Incorporation" to ensure the diversity and independence of the Board members.

Specific management objectives and the status of implementation in relation to the Company's board diversity policy are as follows:

1. More than one half of independent directors shall serve not more than three consecutive terms of office in order to maintain independence: Independent director account for 38% of the board. None of them have served more than three consecutive terms of office.
2. Directors concurrently serving as managerial officers of the Company do not exceed one-third of the total number of the board members in order to fulfill the

supervisory purposes.

3. In order to fulfill gender equity in the composition of the Board of Directors, the goal is to have at least one different gender. A goal for the future is to have no more than 9 years served continuously by any independent director that is re-elected and serves subsequent terms and have at least one different gender director.
4. Board members have extensive experience and expertise in the fields of finance, business and management. The relevant implementation details are as follows:

Core items for diversity		Basic composition				Length of service of independent directors	Professional competence						
		Nationality	Gender	Concurrently an employee of the Company	Age		Operational judgments	Accounting and financial analysis	Management administration	Crisis management	Knowledge of the industry	International market perspective	Leadership and decision-making
51 - 60	61 - 70												
Chairman	Chin-Kung Lee (Note 1)	R.O.C	Male	v	v	-	✓	○	✓	✓	✓	✓	✓
Vice-Chairman	Chi-Chun Hsieh		Male		v	-	✓	○	✓	✓	✓	✓	✓
Director	An-Hsuan Liu (Note 2)		Male	v	v	-	✓	○	✓	✓	✓	✓	✓
Director	Kao-Yu Liu		Male		v	-	✓	○	✓	✓	○	✓	✓
Director	Kuan-Hua Chen		Male		v	-	✓	✓	✓	✓	○	✓	✓
Director	Yann Yuan Investment Co., Ltd. Representative : Ping-Kun Hung		Male		v	-	✓	✓	✓	✓	○	✓	✓
Independent director	Semi Wang		Male		v	v	✓	○	✓	✓	✓	✓	✓
Independent director	Dar-Yeh Hwang		Male		v	v	✓	✓	✓	✓	○	✓	✓
Independent director	Shi-Jer Sheen (Note 3)		Male		v	v	✓	✓	✓	✓	○	✓	✓
Independent director	Hui-Chun Hsu (Note 3)		Male		v	v	✓	○	✓	✓	○	✓	✓

Note: ✓ denotes ability, ○ denotes some ability

Note 1: Chairman Chin-Kung Lee resigned as CEO on May 30, 2023, effective as of June 1, 2023.

Note 2: Director An-Hsuan Liu resigned on August 8, 2023.

Note 3: Independent Director Shi-Jer Sheen was appointed after re-election on May 30, 2023. Independent Director Hui-Chun Hsu was relieved after re-election on May 30, 2023.