

Board Membership Diversification Policy and Implementation Results

(As of April 18, 2023)

In accordance with the Articles of Incorporation, the Bank adopts the candidate nomination system for elections of directors. The selection of board members is not dictated by gender, age, race, or nationality, and the Bank shall bring into professional and experienced elites from various fields to conform to the Bank's diversified development. The Board members shall be equipped with the knowledge, skills, and aptitude needed to perform their duties, so as to achieve excellence in corporate governance. Moreover, the Board shall be equipped with the capacity for business judgment, accounting and financial analysis, business administration, risk management, crisis management, industry knowledge, a sound perspective of the global market, leadership, decision making, corporate sustainability knowledge, legal knowledge, and information technology/information security capabilities.

Reflecting its emphasis on the board diversity, the Bank's 8th Board of Directors comprises elites from the financial, industrial and academic communities. With 9 of them holding master's degrees, they span such disciplines as economics, commerce, accounting, insurance, public administration, and languages. Directors representing the Board's capacity for business judgment, business administration, leadership, and decision making are Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, and Elton F.Y. Lee; financial accounting, Hank H.K. Lin, Mark J.C. Lee, and Gordon W.C. Lin; risk management, Roy J.Y. Yeh, Fu-Hsiung Hu, and Nina Y.C. Lo; international perspectives, Tina Y. Lo, Huang, Edward Chien-Chiang, Liu, Richard R.C., and Richard R.C. Liu; information technology and information security, Hu Fuxiong, Lin Hongguang and Lin Kunzheng. As such, all members of the Board of Directors are not only equipped with the knowledge, skills, and aptitude needed to perform their duties but also fully competent in the areas of banking, finance, commerce, law, and industry respectively.

Of the Bank's 14 incumbent directors, three are independent directors, (or 21.4%,) recorded not more than 9 years of service. In terms of age distribution, three directors are aged under 60, six between 61-70, and five over 71, attesting to a thorough mix of experience and innovation. Furthermore, the Bank pays attention to gender equality in the composition of its Board of Directors, with the proportion of female directors was gradually increased to 1/3 by 2030. In the Bank's 8th Board of Directors, there are two female directors, or 14%. Priority will be given to considering female candidates in future board elections in order to attain the aforesaid aim. Separately, there is one director (7%) who is the employee (including employees of the Bank's affiliates) in a concurrent capacity.

At its 5th meeting on December 23, 2020, the Bank's 8th Board of Directors enacted the Bank's "Diversity Policy, Independence Standard, Continuing Education Initiative Program, and Succession Planning for the Board of Directors." The Bank makes it a point to adopt the policy of diversity

with regard to composition of the Board of Directors, enhance the independence of the Board, and strengthen the Board functions, so as to bolster corporate governance and attain sustainable development. The objective is to ensure the diversity and independence of the Board members and strengthen the Board functions, thereby bolstering corporate governance and attaining sustainable development.

Board Diversity Professional Capabilities:

Diversification Ability Name of the directors	Operational Judgment and Operational Management Capabilities	Accounting and financial analysis skills	Risk management ability	Crisis handling ability	Financial professional and industry knowledge	International market outlook and ability to invest in mergers and acquisitions	Leadership and Decision-Making	Corporate Sustainability Knowledge	Legal knowledge	IT Security Capabilities
Lo, Tina Y.	✓	✓	✓	✓	✓	✓	✓	✓		
Lo, Kenneth C.M.	✓	✓	✓	✓	✓	✓	✓	✓		
Huang, Edward Chien-Chiang	✓		✓	✓	✓	✓	✓	✓		
Jian Zhiming	✓	✓	✓	✓	✓		✓	✓	✓	
Hu, Fu- Hsiung	✓		✓		✓	✓	✓	✓	✓	✓
Lin, Hank H.K	✓	✓	✓	✓	✓	✓				✓
Liu, Richard R.C.	✓	✓	✓		✓	✓		✓	✓	✓
Chen, Shih-Tze	✓	✓	✓		✓	✓	✓	✓		
Cheng, George C.J	✓	✓	✓	✓	✓	✓	✓	✓		
Lee, Mark J.C.	✓	✓	✓	✓	✓		✓	✓	✓	
Lee, Elton F.Y.	✓	✓	✓	✓	✓	✓	✓	✓		
Lin, Gordon W.C.	✓	✓	✓	✓	✓	✓	✓	✓		
Yeh, Roy J.Y.	✓	✓	✓	✓	✓	✓		✓	✓	
Lin, Bill K.C.	✓	✓	✓	✓	✓		✓	✓		✓