

# **O-Bank Co., Ltd. Board of Directors Diversity Policy, Standards for Independence, and Refreshment Policy**

Effective on 23 Dec. 2020 per resolution of the 5th session of the 8th O-Bank Board of Directors  
Amended on 2 Nov. 2022 per resolution of the 19th session of the 8th O-Bank Board of Directors  
Amended on 3 May 2023 per resolution of the 23th session of the 8th O-Bank Board of Directors  
Amended on 21 Aug. 2023 per resolution of the 3rd session of the 9th O-Bank Board of Directors  
Amended on 13 Mar. 2024 per resolution of the 7th session of the 9th O-Bank Board of Directors  
Amended on 2 May 2024 per resolution of the 9th session of the 9th O-Bank Board of Directors  
Amended on 27 June 2024 per resolution of the 10th session of the 9th O-Bank Board of Directors

## **Purpose of formulation**

This Policy has been adopted in accordance with Article 5 of the "Organizational Charter of the O-Bank Co., Ltd. Corporate Governance and Nomination Committee" in order to strengthen the functions of the Board of Directors of O-Bank Co., Ltd. ("the Bank"), to implement diversity among the members of the Board of Directors, to enhance the independence and policymaking capabilities of the members of the Board of Directors, and to continue improving the Bank's corporate governance and sustainable development.

## **Board of Directors diversity policy**

Nominations of the Bank's directors (including independent directors) shall be carried out under a candidate nomination system in accordance with the Bank's articles of incorporation.

The Bank shall check to confirm whether nominees for the position of director (including independent director) meet the legally mandated qualification requirements for bank directors.

When making a director nomination, the Bank shall consider the following standards for diversity:

1. The board nomination process should consider diversity factors including but not limited to gender, age, ethnicity, and nationality.
2. It is advisable to nominate elite talent who have professional expertise and deep experience in fields needed by the Bank to achieve diversified development.
3. In order to achieve gender equality, which is one of the UN Sustainable Development Goals, the Board of Directors should include at least one female director, and the Bank should gradually increase the share of board seats held by women to one third by 2030.
4. All members of the Board of Directors shall possess the knowledge, skills, and understanding needed to execute job duties. In order to achieve corporate governance goals and meet the Bank's future development needs, the board of directors shall have at least two directors with working experience in banking and financial administration or management; and for the diverse professional abilities of the directors, at least one director shall have each of the following abilities:

- (1) operational judgment/management and administration
- (2) accounting/finance
- (3) risk management
- (4) crisis management
- (5) financial/industry knowledge
- (6) international market perspective/investment and M&A
- (7) leadership and decision-making
- (8) corporate sustainability knowledge
- (9) Legal knowledge
- (10) information technology/cyber security

5. The Bank's independent directors shall satisfy legal provisions governing the professional qualifications and independence of independent directors and their holding of concurrent positions, and one of the independent directors shall possess professional expertise in accounting or finance; in addition, it is advisable for independent directors to possess the aforementioned diverse set of professional abilities so that the Board of Directors as a whole will possess needed policymaking capabilities and can enhance directors' functions and policymaking effectiveness.

#### **Standards for independence of directors**

The Bank's independent directors shall possess the professional qualifications and satisfy the standards for independence set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

To keep aligned with international corporate governance trends, it is advisable for the Board of Directors to evaluate the possibility of gradually raising the share of director seats held by natural-person directors and reserving at least a third of board seats for independent board members before 2030 in order to enhance the independence of the Bank's Board of Directors.

#### **Plan for continuing education and minimum of attendance of directors**

In order to continuing to enhance the diversified professional abilities of directors, improve the corporate governance, enhance the functions of the board of directors, and make decision effectively, it is advisable that the continuing education and attendance of the Bank's directors be required as following:

- **Continuing education of directors:** In accordance with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, it is advisable that

new directors complete at least 12 hours of continuing education during the year when they were first appointed, while it is advisable for continuing directors (and for new directors in subsequent years) to complete at least 6 hours of continuing education. The goal of continuing education for directors is to improve and diversify their professional abilities, and to enhance their functions and policymaking effectiveness. It is advisable that continuing education courses for directors be designed with reference to the competent authority's regulations, the direction of corporate governance, and the provisions of the "Directors' Continuing Education Map" of the Taiwan Stock Exchange. It is also advisable that the Bank arrange an appropriately diverse range of course content that relates to the Bank's business operations, such as anti-money laundering and counter terrorism financing, fair treatment of consumers, ethical business practices, information security, risk management, and ESG.

- **Attendance of directors:** Minimum of attendance rate of board of directors for all board members required at least 70%. The average attendance rate of the board of directors should not be less than 85%.

### **Director refreshment policy**

In order to implement the sustainable development for the bank and the corporate sustainability for the board of directors, the bank set up “Board of Directors refreshment policy” to evaluate the bank’s goals, strategies and the requirements of mid- and long-term business development once the refreshment of board of directors. The members of board of director are also considered the retirement age, term and diversified professional abilities to ensure the composition of the directors with the principle of sustainable development.

The refreshment of board of directors shall include but not limit to the followings:

1. Independent directors shall not hold the position for more than three consecutive terms.
2. The members of board of directors shall include different age group, various professional experience and no more than a sixth of board seats whose age are more than 75. Nominate at least one new director every 6 years.
3. In terms of professional experience, the bank shall refer “Board Diversity Policy” to consider the degree of the successors' familiarity with the banking industry and their experience fit in well with the Bank's key items of future business development.
4. It shall include the result of performance evaluation of board of directors of the successors, the degree of participation in the company's operations, contribution and responsibility.

In order to maintain the practice of board members passing on their professional expertise and experience to successors, the Bank plans out the selection of successors to the Board of Directors in the following manner in accordance with the

“refreshment policy”:

1. Current directors (acting on the basis of: a comprehensive consideration of the results of Board of Directors performance evaluations; the state of the Board's participation in the company's operations; the degree of director contributions; and the responsibilities that directors have assumed) select candidates who are suitable and have a willingness to take ongoing part in management of the Bank's business.
2. Search for candidates by consulting an independent director talent database.
3. Hire an appropriate outside organization or consultant to recommend candidates.
4. Current directors recommend candidates.
5. Use some other method to search for candidates who would be suited to serve as directors of the Bank.

**Supplementary provision**

After being formulated by the Bank's Corporate Governance and Nomination Committee, this Policy shall be implemented per resolution of the Board of Directors, and the same shall apply to any amendments.