

Board Membership Diversification Policy and Implementation Results

(As of June 16, 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 operational judgment, management, administration, accounting and financial analysis, risk management, crisis management, financial and industry knowledge, international market perspective, investment and mergers and acquisitions, leadership, decision-making, corporate sustainability knowledge, legal knowledge, information technology, and cyber security abilities.

Reflecting its emphasis on the board diversity, the Bank's 9th Board of Directors comprises elites from the financial, industrial and other professional fields. With 10 of them holding master's degrees, they span such disciplines as economics, commerce, business administration, accounting, law and information engineering. Directors representing the Board's capacity for operational judgment, management, administration, leadership, and decision-making are Tina Y. Lo, Kenneth C.M. Lo; accounting and financial analysis, Hank H.K. Lin and Mark J.C. Lee; risk management, Kenneth C.M. Lo and Chih-Ming Chien; international market perspective, investment and mergers and acquisitions, Tina Y. Lo, George C.J Cheng, and Grace W.S Tang; information technology and cyber security, Bill K.C. Lin, Alex J.J. Chen, Fu- Hsiung Hu, Tina W.N Chiang. legal knowledge, Fu- Hsiung Hu, and Jennifer C.F. Wang. 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 12 incumbent directors, four are independent directors, (or 1/3,) recorded not more than 9 years of service. In terms of age distribution, five directors are aged under 60, six between 61-70, and one 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 increased to 1/3. In the Bank's 9th Board of Directors, there are four female directors, or 1/3, of board which meet the objective. Separately, there is one director (8.3%) 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, Management and Administration Abilities	Accounting and Financial Analysis Abilities	Risk Management Abilities	Crisis Management Abilities	Financial and Industry Knowledge	International Market Perspective, Investment and M&A Abilities	Leadership and Decision-Making Abilities	Corporate Sustainability Knowledge	Legal Knowledge	Information Technology and Cyber Security Abilities
Lo, Tina Y.	✓	✓	✓	✓	✓	✓	✓	✓		
Lo, Kenneth C.M.	✓	✓	✓	✓	✓	✓	✓	✓		
Lin, Bill K.C.	✓	✓	✓	✓	✓		✓	✓		✓
Cheng, George C.J	✓	✓	✓	✓	✓	✓	✓	✓		
Lee, Mark J.C.	✓	✓	✓	✓	✓		✓	✓	✓	
Chih-Ming Chien	✓	✓	✓	✓	✓		✓	✓	✓	
Chen, Alex J.J.	✓	✓	✓	✓	✓		✓		✓	✓
Tang, Grace W.S	✓	✓	✓	✓	✓	✓	✓	✓		
Lin, Hank H.K	✓		✓		✓	✓	✓	✓	✓	✓
Hu, Fu- Hsiung	✓	✓	✓	✓	✓	✓				✓
Chiang, Tina W.N	✓		✓	✓	✓	✓	✓	✓		✓
Wang, Jennifer C.F.			✓	✓		✓	✓	✓	✓	