Diversity and Independence of Board of Directors

Professionality

In accordance with paragraph 3, Article 31 of the Company's “Corporate Governance Best Practice Principles”, 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.(including to subsidiaries)
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.
9. Risk management knowledge and ability

Independence

The Company elects its 5th Board of Directors in June 16, 2023, increasing the number of independent directors to one-third of the total number of directors. The Board of Directors have 15 directors, consisting of 1 executive director, 5 independent directors, and 9 non-executive directors. All directors serve as an independent director in less than 3 other public listed companies. The relationships between the directors are not spousal or familial relationships within the second degree of kinship, and independent directors serve a maximum of 3 consecutive terms. All these ensure the independence of the Company’s Board of Directors.

Diversity

In accordance with paragraph 2, Article 31 of the Company's “Corporate Governance Best Practice Principles”, membership diversification should be factored in the composition of the Board of Directors. In addition to ruling that the number of director who concurrently holds management position in the company shall not exceed one third of the total number of directors, the Board of Directors shall abide by the Principle’s Article 25 on adjunct positions and shall take account of the type and the developmental needs of its business operations when making a membership diversification plan for its composition, which is also advised to include but not limited to the two aspects as follows:

1. Basic conditions and value: gender, age, nationality, race, ethnic group, and culture.
2. Professional knowledge and skills: professional backgrounds (e.g. law, accounting, industry, finance, and marketing or technology), professional skills, and industry experiences.

The implementation of membership diversification

The members of the Company’s 5th Board of Directors possess rich experience and expertise in various fields, including business management, leadership and decision-making, knowledge of the industry, international perspectives, financial accounting and taxes, and law. Among them, 1 independent director have served for less than 3 years, while 2 independent directors have served for more than 3 years but less than 6 years, 2 independent directors have served for more than 6 years but less than 9 years, the average tenure of 5th Board members is 3.47 years. Currently, 3 directors in the Company are employees (including employees from affiliates). The number of directors concurrently serving as the Company’s manager does not exceed one-third of the total number of directors. The age distribution of the directors is diverse,with 3 directors below the age of 50, 4 directors aged between 50 and 60, and 8 directors aged 61 or above,as of July 15, 2024. In terms of gender, there are 12 male directors (80%) and 3 female directors (20%). Regarding industry experience, 71.43% of the directors have relevant Global Industry Classification Standard (GICS) financial work experience (Mei-Tsu Chen is an executive director and therefore not included in this calculation). Gender equality has been equally weighted by TCFHC with having at least two female members in the Board being set as the goal. At present, the number of female members in the Board of Directors in this term is three, which has achieved the goal. The relevant implementations are listed as follows:

Directors \ Area of Diversity		Independence (Note)	Basic Composition					Independent Directors Tenure			Industry Experience			Professional Background and Skills							GICS Work Experience
			Nationality	Gender	Age			<3 years	≧3 years <6 years	≧6 years <9 years	Banking	Insurance	Security	Law	Accounting	Finance	Taxes	Marketing	Information Technology	Risk Management	
					<50	50-60	61≧														
Non-Executive Director	Dawn,Ray B.	Independent Director	R.O.C	Male			◎				◎	◎				◎		◎		◎	Finance
Executive Director	Chen, Mei-Tsu	Executive Director	R.O.C	Female			◎				◎	◎				◎		◎		◎	Finance
Non-Executive Director	Den,Yen-Dar	Independent Director	R.O.C	Male			◎				◎					◎					Finance
Non-Executive Director	Chiang, Jui-Tang	Independent Director	R.O.C	Male			◎				◎	◎		◎				◎		◎	Finance
Non-Executive Director	Lee,Chung-Yung	Independent Director	R.O.C	Male		◎					◎				◎	◎				◎	Finance
Non-Executive Director	Tsai,Kuo-Tai	Independent Director	R.O.C	Male		◎					◎							◎			Finance
Non-Executive Director	Mai, Shen-Gang	Independent Director	R.O.C	Male			◎				◎		◎			◎		◎			Finance
Non-Executive Director	Yang,Dong-Liarng	Independent Director	R.O.C	Male			◎											◎			Finance, Consumer staples

Non-Executive Director	Chen,Chun-hung	Independent Director	R.O.C	Male	◎						◎										Finance
Non-Executive Director	Shiu, Jia-Hau	Independent Director	R.O.C	Male	◎						◎				◎	◎		◎			Finance
Independent Director	Lin, Hsuan-Chu	Independent Director	R.O.C	Male	◎					◎					◎	◎				◎	—
Independent Director	Shay, Arthur	Independent Director	R.O.C	Male			◎			◎				◎					◎		Communication service
Independent Director	Chang, Min-Chu	Independent Director	R.O.C	Female		◎			◎					◎							—
Independent Director	Lin, Hann-Chyi	Independent Director	R.O.C	Male			◎		◎		◎		◎		◎	◎					Finance
Independent Director	Liu,Beatrice	Independent Director	R.O.C	Female		◎		◎							◎		◎				—

Note：The "Independent Directors" must meet the following criteria for independence. Directors must be non-executive directors and meet at least 4 of the 9 following indicators and meet at least 2 of the first 3 indicators.

(1) Have not been employed as an executive by the Company in the last year. (2) The director and members of his/her family shall not have received more than US$60,000 per year in compensation from the Company and its subsidiaries every year. (3) The members of the director's family shall not have been an executive officer of the Company or any of its subsidiaries. (4) Not an advisor to the Company, not a related party of the Company's consulting firm, and not a member of the Company executive management team. (5) Not a related party of any of the Company's key clients or suppliers. (6) Not in a personal service agreement with the Company or any member of the executive management team. (7) Not a related party of any NGO receiving material donations from the Company. (8) Not an auditor or accountant to the Company. (9) Not involved with any other matters with conflict of interest as deemed by the Board of Directors.