

Succession Planning for Board Members and Key Management Personnel

The company must, in accordance to its own development direction and goals, plan for a successor who possess not only professional ability, but also the personality traits of honesty and integrity and one who holds values that are consistent with the company.

- **Succession planning for Board of Directors:**

The composition of the Board of Directors and formulate appropriate diversity guidelines for its operations, business model and development needs, including but not limited to the following two major criteria:

1. Basic conditions and values include gender, age, nationality, and culture, among others.
2. Professional knowledge and skills: Professional background (e.g. legal, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc.

Each board member shall have the necessary knowledge, skill, and ability. To achieve the desired objectives of corporate governance, the board as a whole must have abilities that include: Business judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership, decision-making, sustainable management, risk management, and climate change management.

In accordance with Article 10 of the "Rules for Performance Evaluation of Board of Directors", the results of individual director performance evaluations will serve as a reference for the renomination of directors in the next term and the determination of their individual compensation.

To help directors maintain core values and professional competencies, the Company arranges more than six hours of training courses for directors each year.

Re-election of directors was carried out on 25th shareholders' regular meeting in 2023, with 9 directors (including 3 independent directors) determined at the 24th meeting of 24th board meeting on January 5, 2023. After comprehensive consideration by the Corporate Governance and Nomination Committee (renamed as the Remuneration and Nomination Committee starting from the 25th term of the board), the following matters were reviewed and approved on February 14, 2023. The proposed candidates for directors were submitted for resolution at the 25th meeting of the 24th term of the board on February 22, 2023.

1. Whether the director candidate has the professional knowledge, skills, and experience required for the operations of the Company, with diversity, such as gender, in mind.
2. The independent director candidate's qualifications, professionalism, independence, integrity, and concurrent positions held at other companies, in accordance with the requirements of the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and other relevant rules and regulations of the Taiwan Stock Exchange.
3. Whether the director candidate meets the qualifications and requirements set forth in Article 30 of the Company Act, and the nomination shall also be handled in accordance with Article 192-1 of the Company Act.

• **Management succession plan:**

1. The company regularly reviews and selects potential talents at all levels to establish a talent pool, proactively planning for succession and initiating training programs. The training covers professional skills, management capabilities, personal development plans, and cross-departmental job rotations to cultivate employees' diverse perspectives and expertise. Through participation in goal-setting meetings, business management meetings, and project assignments, employees enhance their decision-making and problem-solving skills. Senior executives conduct regular performance evaluations and provide personal development guidance.
2. Regularly holds the "Expanded Business Management Meeting" and "TungSteel Exchange and Sharing Conference" to promote cross-departmental communication and interaction with senior management, strengthening team cohesion and managerial vision. Additionally, training programs are provided for mid-level managers, covering problem-solving, workflow improvement, communication skills, and employee development. Through case studies and role-playing exercises, the training enhances managerial capabilities and leadership skills. Cultivate diversified working abilities and nurture broadened horizons, and provide practical experience through cross-functional or cross-departmental (factory) job rotation, project planning and execution, part-time duties, work agency or assignment to investee companies, etc.
3. The company maintains comprehensive training records, regularly reviews talent development plans, and dynamically adjusts them based on organizational needs. Management skills and global perspectives are enhanced through cross-functional or cross-department (plant) job rotations, project assignments, dual-role responsibilities, or secondments to affiliated businesses. Additionally, the company encourages mid-to-senior-level talent to propose their own training, study, or internship plans, providing resource support and job adjustments to strengthen workforce diversity and resilience.
4. In 2024, the company's total training hours reached 47,503 hours, with 16,415 participants, averaging 22 training hours per employee. This ensures a strong alignment between talent development and the company's operational goals, laying a solid foundation for the seamless succession of future management.