

Board of Directors and Key Management Succession Plan

1. Board of Directors Succession Plan and Operation

According to the Articles of Incorporation, the Company shall have five to nine directors. The election of directors adopts the candidate nomination system pursuant to Article 192-1 of the Company Act. Directors serve a three-year term and are elected by the shareholders from the list of candidates; they are eligible for re-election. The number of independent directors shall be at least three and no less than one-fifth of the total number of director seats.

In the future, the Company's Board of Directors will implement a diversity policy for board members in accordance with the Articles of Incorporation and the Corporate Governance Best Practice Principles. We aim to maintain a composition beneficial to the Company's operations, safeguarding the best interests of the Company, employees, and shareholders.

The Company has also established the "Rules for Performance Evaluation of the Board of Directors." Through self-assessment and external evaluation, the performance of directors is reviewed to serve as a reference for future director selection. The results of the board performance evaluation are available on the Company's website.

This year (2025) coincides with the re-election of directors. The number of directors remains at seven (including three independent directors). The number of directors under the age of 50 remains at three, and the average age has decreased from 59 to 55. This demonstrates the Company's commitment to cultivating succession talent and strengthening sustainable operations. All members are professionals with years of experience in various fields, possessing expertise and skills in operational judgment, business management, commerce, finance and accounting, international perspective, and industry-academic knowledge.

During their term, directors are scheduled to complete at least 6 hours of continuing education recognized by the competent authorities each year. Among them, the two newly appointed independent directors have completed 12 hours of continuing education as required by regulations to acquire new knowledge and maintain their professional edge. The continuing education requirements for 2025 have all been completed.

2. Succession Planning and Operation of Key Management Personnel

Each business unit of the Company has a designated head responsible for production, sales, and daily management. Through job rotation and practical experience, these individuals are groomed from daily operations to become senior management.

Department-level managers have clear job descriptions and designated deputies who are trained accordingly. In line with the Company's development strategy, key talent undergoes departmental rotation and internal/external training to enhance professional knowledge and leadership skills. According to the Company's Employee Performance Evaluation Regulations, the performance and capabilities of personnel are assessed regularly. Outstanding employees are prioritized for promotion to facilitate talent succession. Furthermore, senior executives are invited to attend Board meetings when appropriate, allowing them to familiarize themselves with the Board's operations and the Company's strategic direction.

The current General Manager, Mr. Wen-Ping Li, joined the Hong Tai Group in 1991. He has served in various units, including the Quality Assurance Department and Sales Department of the Power Business Division. He also served as the head of the South Africa Business Division and the Power Business Division before being promoted to General Manager in September 2021.