

# Succession Planning for Board Members and Key Management Personnel (2024)

## Succession Planning and Operation of Board Members

The Company's directors are elected under a nomination system under the Company's Articles of Incorporation and the Regulations Governing the Election of Directors. The composition of the Board of Directors takes into account the overall configuration and diversity of the Board of Directors, as well as the Company's operations, business model and development needs and establishes a diversity policy that includes, but is not limited to the following criteria:

1. Basic Requirements and Values: Gender, age, nationality, culture and so forth.
2. Professional Knowledge and Skills: Professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industry experience and so forth.

The structure of the Company's Board of Directors is determined by the scale of the Company's business development and the shareholdings of its major shareholders, taking into account practical operational needs. Currently, there are 10 directors (including 4 independent directors), each of whom possesses expertise in business, law, finance and accounting or management that is necessary for the operation of the Company. In the future, the Company will continue to evaluate and adjust the structure of the Board of Directors to meet the needs of practical operation.

As part of the Company's ongoing director succession plan, the following criteria are used to build the database of director candidates:

1. Integrity, responsibility, innovation and decision-making: In line with the Company's core values, with professional knowledge and skills that contribute to the management of the Company.
2. Effectiveness and Collaboration: It is expected that the addition of this member will continue to provide the Company with a Board that is effective, collaborative, diverse and responsive to the Company's needs.
3. Candidate Selection Process: The Company has established a list of candidates for election as Directors, and the selection process is conducted per the qualification and relevant regulations to ensure that when there are vacancies or planned additions to the Board of Directors, the new Directors can be effectively identified and selected.

The Company conducts director succession planning through the following methods: the director selection database established by the Company, the recommendation of appropriate candidates by the current directors, and the recommendation of directors by the shareholders, which serve as references for the nomination of directors for reappointment.

To strengthen the effectiveness of the directors in exercising their functions and to keep abreast of the times, the Company arranges annual refresher courses to enhance the professional knowledge of the directors, taking into account the changes in the Company's internal and external environment and the development needs at any time.

## Succession Planning and Operation of Key Management Personnel

The Company adheres to the concept and practice of sustainable management and ensures corporate longevity and competitiveness through management succession planning. We continue to promote the implementation of the succession plan, personnel selection and personnel training, and the management succession plan has been gradually implemented in practice.

Based on the duty agent system, the company emphasizes the accumulation of long-term practical industry experience, solid work execution and work performance, exceptional business development and management capabilities, and professional and managerial competencies that can be evaluated through practical performance.

The Company's core cultural values and business philosophy are important indicators that the management must meet, integrity, care, professionalism, innovation, dedication and teamwork. In this highly competitive business environment, with innovative and excellent thinking, agile and responsive business development and organizational leadership and control capabilities, the management leads SUNSHINE to maintain a leading position in the industry.

The Management Succession Training Program provides internal and external training courses on industry trends, risk management, leadership, finance and accounting, and legal compliance to develop both practical and professional skills.

The management team has been able to expand its international duties in response to market changes and the succession plan has successfully met the challenges of business changes within the context of international development and business growth.

The Management Succession Training Program has been implemented and the actual arrangements are as follows:

### External Training Program

| Training Course                                   | Organizer                                       | Training Hours | Participants Assigned     |
|---|---|----------------|---------------------------|
| Technology Industry Management Executive Workshop | Industrial Technology Research Institute (ITRI) | 51 hours       | 1 participant, completed  |
| Senior Executive Workshop                         | Chinese Professional Management Association     | 84 hours       | 7 participants, completed |
| Deep Learning with a Thousand Hammers             | Chang Gung Institute for Continuing Education   | 96 hours       | 2 participants, completed |

## Internal Training Program

| Training Course   | Training Hours | Participants    |
|---|----------------|-----------------|
| Global Political and Economic Trends Seminar  | 1 hour         | 45 participants |
| Generation Z Leadership   | 3 hours        | 49 participants |
| Technology Industry Supply Chain Disconnect Issues Discussion                         | 3 hours        | 48 participants |
| Trend Seminar: Decision 2030 – The Classic Race for the Global Semiconductor Industry | 3 hours        | 48 participants |
| Trend Seminar: Taiwan's Survival in the New International Order                       | 3 hours        | 52 participants |
| Trend Seminar: How to Keep the Wafer Island Shining Under the Geopolitical Situation  | 3 hours        | 55 participants |

The company upholds the succession plan as a path for continuous promotion and quality improvement and remains diligent in its implementation.