

## **Diversity of the Board of Directors:**

Article 3.4.1 of the Company's "Corporate Governance Best Practice Principles" requires diversity in board composition and the establishment of diversity policies for the Company's operations, business model, and development requirements. The Board of Directors includes 7 members including 3 Independent Directors (1 female) with different professional backgrounds, genders, or field of work. They have the knowledge, skills, and quality necessary for the performance of their duties and they implement effective supervision and oversight of the Company's compliance, prompt disclosure of material information, and ethical management. They maintain sound communication channels and good interactions with the management team and they provide guidance for the Company's business operations and resolutions for material decisions to ensure the Company's development and safeguard shareholder rights.

The Company considers the overall structure of the Board of Directors and aims to set up a Board of Directors of diverse gender, age, professional knowledge, and background. The Company specified in the Company's Corporate Governance Best-Practice Principles that Directors who serve concurrently as the Company's managerial officers should not exceed one third of the Directors, and at least one member of the Board of Directors should have professional legal background or management experience in the steel industry to support the Company's future business development.

Legal compliance, sourcing, and integrated transformation are emphasized during the development of the Company. Academic background, age, professional background and gender balance are therefore taken into consideration during the selection of directors. We look to the industry and academia for suitable circles, and take the Company's 5-year business development strategy and targets into account. Independent directors include 1 attorney (female) to provide guidance on compliance; 1 accountant to provide assurance on quality of financial statements and offer recommendations on compliance with accounting standards; 1 professor from a national university with a background in business administration to provide recommendations on corporate management and risk control. Other Directors include Director Min-Hsiung Liu who is familiar with overall developments in the steel industry as well as future trends in the steel and raw material markets; Director Chao-Tung Wong who is adept at the vertical integration of the steel industry and takes a close interest in environmental protection issues and social engagement; Director Wen-Chou Li who is an expert in commercial sales and sets the future sales strategy for the Company; as well as Director Kuei-Sung Tseng with a background in engineering and steel production as the Company is now preparing for the replacement and upgrade of production equipment.

The Company's current Board of Directors includes 7 members (including 3 Independent Directors, 1 of which is female). Its composition is diverse and its professional knowledge and

expertise encompass steel (knowledge of the industry), resources, engineering, business administration, law, accounting and finance, and electrical engineering, which fully supports the diversity targets for members of the Board of Directors. The Company's Directors who serve as employees account for 14.29% of all Directors; Independent Directors account for 42.86%; the female Director accounts for 14.29%; the proportion of Directors who do not serve concurrent role as company managers is 85.71%. The three independent directors all have 4 to 8 years of experience in their current role. There was 1 director aged 71 ~ 75, 5 directors aged 61 ~ 70, and 1 director aged 51 ~ 60. The implementation status is listed in the table below:

Diversity Core Item	Basic composition								Business management	Leadership And decision making	Industry knowledge	Financial accounting	Business	Legal affairs	Marketing	Business administration	Engineering		
	Name of Director	Gender	Nationality	Concurrent Role as Company Employee	Age distribution			Term of Independent Director											
					51 to 60	61 to 70	71 to 75	Less than 3 years										4 to 8 years	Over 9 years
Chairperson	Male	Republic of China	✓		✓				✓	✓	✓						✓		
Director	Male	Republic of China			✓				✓	✓	✓			✓			✓		
Director	Male	Republic of China			✓				✓	✓	✓					✓			
Director	Male	Republic of China			✓				✓	✓	✓					✓			
Independent Director	Male	Republic of China				✓		✓	✓		✓								
Independent Director	Male	Republic of China			✓			✓	✓			✓				✓			
Independent Director	Female	Republic of China		✓				✓	✓					✓					