

Board of directors

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- (1) The ability to make judgments about operations.
- (2) Accounting and financial analysis ability.
- (3) Business management ability.
- (4) Crisis management ability.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Leadership ability.
- (8) Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Members of the board of directors

May 26, 2022

Item	Name	Academic qualifications	Work experience	Current job
Chairman	LI, CHI LUNG	Ph.D. in Electronic and Electrical Engineering, University of Leeds, UK Bachelor of Science in Electrophysics, National Chiao Tung University	Plant Manager of Episil Technology Inc. President of NIKO SEMICONDUCTOR CO.,LTD.	Chairman and CEO of Excelliance MOS Co., Ltd. Responsible Person of Pin Tung Investments Limited
Director	ASUSTek Computer Inc.	Not applicable	Not applicable	Not applicable
	Representative: HUANG, YUEH-LUN	Executive Master of Business Administration (EMBA), National Sun Yat-sen University Bachelor of Transportation Technology and Management, National Chiao Tung University	Product Manager of Display Department at ASUSTek Computer Inc. Product Manager of Projector Department at Qisda Corporation Product Manager of Projector Department at BenQ Corporation	Deputy Manager of Investment Division at ASUSTek Computer Inc.
Director	LIU, PO-WEN	Department of Industrial Engineering, National Tsing Hua University	—	Director of Hycon Technology Corp.
Independent Director	LIANG, CHI-YEN	Master of Business Administration, National Chengchi University; Bachelor of Science in Chemical Engineering, National Tsing Hua University	Adjunct Lecturer of Department of Business Administration, Soochow University Partner of The CID Group Ltd. Chairman of TAINET Communication System Corp. Executive Vice President of CDIB Venture Capital Corporation Sales Marketing Manager of Hewlett-Packard Information Technology Company Battery Plant Engineer of Combined Logistics Command	Independent Director of ENNOSTAR Inc. Remuneration Committee Member at Shinkong Textile Co., Ltd. Remuneration Committee Member at Sesoda Corporation Director of Guide Star Venture Capital Co., Ltd. Supervisor of Peike Star Venture Capital Co., Ltd. Representative of Juridical Person Director of Yu Wei Asset Management Co., Ltd.
Independent Director	CHEN, YA-CHEN	Master of Accounting, Chung Yuan Christian University Bachelor of Accounting, Tunghai University	The 25th Term Welfare Committee Member at the CPA Associations R.O.C. (Taiwan) Adjunct Lecturer of Yu Da University of Science and Technology Court appointed inspector Certified Public Accountant of Biing-Cherng CPAS Lecturer of Professional Training Center Ministry of Economic Affairs, R.O.C. Finance Commissioner of the 106-2019 Student-Parent Association, National Hsinchu Senior High School	President of APEX CPA Firms President of Cheng Shih Bookkeeper Firm President of Ta Tsuan Consultant Ltd.
Independent Director	CHAN, I-JEN	Ph.D. in Electrical Engineering, University of Michigan	Professor and Chair of Electrical Engineering, National Central University Deputy Director and Director of Electronic and Optoelectronic System Research Laboratories, Industrial Technology Research Institute Chief Strategy Officer of HERMES-EPITEK CORPORATION President of Episil Technology Inc. CEO of Episil Holding Inc. Director of Episil-Precision Inc.	Chief Technology Officer and Director CYNTEC CO., LTD. Chairman of Power Forest Technology Corporation Independent Director of Universal Cement Corporation
Independent Director	LI, CHIH-HAO	Master of Business Administration, National Chengchi University	Special Assistant to the Chairman of HERMES-EPITEK CORPORATION Chief Investment Officer of ASUSTek Computer Inc.	President of Tien Yu International Technology Consulting Ltd. Chairman of Yu Wei Asset Management Co., Ltd. Chairman of Peike Star Venture Capital Co., Ltd. Chairman of Guide Star Venture Capital Co., Ltd. Chairman of Tai Star Venture Capital Co., Ltd. Director of AREC Inc.

Disclosure of Information Regarding the Professional Expertise of Directors and the Independence of Independent Directors

May 26, 2022

Qualification Name	Independent Director	Audit Committee Member	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
LI, CHI LUNG	—	—	Principal academic qualifications: Ph.D. in Electronic and Electrical Engineering, University of Leeds, UK; Bachelor of Science in Electrophysics, National Chiao Tung University Principal work experience: Plant Manager of Episil Technology Inc.; President of NIKO SEMICONDUCTOR CO.,LTD.	Not applicable	0
LIU, PO-WEN	—	—	Principal academic qualifications: Department of Industrial Engineering, National Tsing Hua University Principal work experience: Director of Hycon Technology Corp.		0
ASUSTek Computer Inc.'s Representative: HUANG, YUEH-LUN	—	—	Principal academic qualifications: Executive Master of Business Administration (EMBA), National Sun Yat-sen University; Bachelor of Transportation Technology and Management, National Chiao Tung University Principal work experience: Product Manager of Display Department at ASUSTek Computer Inc.; Product Manager of Projector Department at Qisda Corporation; Product Manager of Projector Department at BenQ Corporation		0
LIANG, CHI-YEN	V	V	Principal academic qualifications: Master of Business Administration, National Chengchi University; Bachelor of Science in Chemical Engineering, National Tsing Hua University Principal work experience: Adjunct Lecturer of Department of Business Administration, Soochow University; Partner of The CID Group Ltd.; Chairman of TAINET Communication System Corp.; Executive Vice President of CDIB Venture Capital Corporation; Sales Marketing Manager of Hewlett-Packard Information Technology Company; Battery Plant Engineer of Combined Logistics Command No circumstance under any subparagraph of Article 30 of the Company Act exists.	Note	1
CHEN, YA-CHEN	V	V (Convenor)	Principal academic qualifications: Master of Accounting, Chung Yuan Christian University; Bachelor of Accounting, Tunghai University Principal work experience: Member of the 25th Term Welfare Committee at the CPA Associations R.O.C. (Taiwan); Adjunct Lecturer of Yu Da University of Science and Technology; Court appointed inspector; Certified Public Accountant of Biing-Cherng CPAS; Lecturer of Professional Training Center Ministry of Economic Affairs, R.O.C.; Finance Commissioner of the 106-2019 Student-Parent Association, National Hsinchu Senior High School No circumstance under any subparagraph of Article 30 of the Company Act exists.		0
CHAN, I-JEN	V	V	Principal academic qualifications: Ph.D. in Electrical Engineering, University of Michigan Principal work experience: Professor and Chair of Electrical Engineering, National Central University; Deputy Director and Director of Electronic and Optoelectronic System Research Laboratories, Industrial Technology Research Institute; Chief Strategy Officer of HERMES-EPITEK CORPORATION; President of Episil Technology Inc.; CEO of Episil Holding Inc.; Director of Episil-Precision Inc. No circumstance under any subparagraph of Article 30 of the Company Act exists.		1
LI, CHIH-HAO	V	V	Principal academic qualifications: Master of Business Administration, National Chengchi University Principal work experience: Special Assistant to the Chairman of HERMES-EPITEK CORPORATION; Chief Investment Officer of ASUSTek Computer Inc. No circumstance under any subparagraph of Article 30 of the Company Act exists.	0	

Note: The status of independence of each independent director is as follows:

1. The Company's independent directors, including but not limited to, they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates.
2. The Company's independent directors and their spouse and relatives within the second degree (or through nominees) do not hold any number and ratio of shares of the Company.
3. The Company's independent directors do not serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
4. The Company's independent directors do not receive the amount(s) of any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Succession planning for the board members and executive management

Succession planning for the board members and its implementation

EMC's board of directors currently consists of 7 directors (including 4 independent directors). The board members have professional backgrounds in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company, industrial experience, decision-making ability, and management ability. In the future, the current structure will continue to apply to the composition and members' experience and backgrounds of the EMC's board of directors.

Regarding the succession planning for the board members, in addition to the professional knowledge and skills required to perform their duties, the successors should also have the personality traits and values that are aligned with the company's core values, corporate culture, and mission statement. Given the preservation of industrial expertise and experience inheritance of the board members, generally the succession candidates planned for directors are mainly the candidates recommended as suitable by the current directors. As for independent directors, they should have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company according to the law. There are still an abundance of such professionals in this country, so the succession candidates planned for independent directors still come from the industry and academia. In addition to requiring the above-mentioned professional abilities and personality traits, the company takes the evaluation results of the performance of the board of directors as the reference basis for nomination of directors for re-election.

Considering the needs of director functions, EMC provides continuing education in core courses and professional courses for directors and selects courses covering finance, risk management, business, commerce, law, accounting, corporate social responsibility, internal control systems, or responsibilities for financial reporting that are related to the nature of the company's industry. Each re-appointed person should complete a minimum of 6 continuing education hours every year, and each newly appointed person should complete a minimum of 12 continuing education hours in the year the person is appointed. Hopefully, all members of the board of directors can fully perform their functions and the effectiveness of the board's operation can be enhanced.

Succession planning for the executive management and its implementation

In addition to having the required professional skills and experience backgrounds, EMC's executive management's words and deeds should be highly in line with the core values, culture and spirit of the company. EMC's employees at the levels of Vice President (inclusive) or above are the executive management, responsible for the relevant business in the organization, and all have appointed persons to act as deputies for whom the training has been provided proactively.

In response to the Group's organizational development and operations plan, besides recruiting outstanding talents from outside the organization, EMC also actively trains the potential top management by strengthening individual counseling, exchange of work, and inheriting experience, deepening their understanding of corporate mission, and developing their skills in business management, thereby selecting the succession candidates.

In order to ensure that the top management at the levels above the deputy manager (inclusive) and the executive management can highly recognize the corporate mission and implement it, and that words and deeds can be highly in line with the core values, culture and spirit of the company, EMC organizes external training for supervisors in the middle of each year, and through direct, face-to-face communication, exchange of opinions, experience sharing with and inheritance from the top management at the levels above the deputy manager (inclusive) and the executive management, it fortifies the management team and provides topics for supervisors to learn together to improve communication and build consensus among various departments.

The TWSE/TPEX listed Companies shall disclose the information of self (or peer) evaluation of the board of directors, including covering evaluation cycle, evaluation period, scope of evaluation, evaluation method, and what is to be evaluated as listed below:

EMC’s “Regulations for Evaluating the Performance of the Board Members (on Themselves or Peers) has been passed by a resolution of the board on November 8, 2019. The internal evaluations of the board of directors shall be conducted at least once a year. The evaluation of individual directors and functional committees and the review of the evaluation results shall be conducted every first quarter on a regular basis. The external board performance evaluation is advised to be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years, and the performance evaluation in the current year shall be conducted at the end of the year. The evaluation results of the 2021 performance of the board as a whole, individual directors and functional committees were submitted and reported to the board of directors on February 22, 2022. The overall evaluations and measures are as follows:

(1) The evaluation results of the performance of the board:

The “Excellent” result of the 2021 internal board performance evaluation was good enough to show EMC’s achievements in strengthening the board’s effectiveness. Among the criteria, the board and its members operated well in the aspects of composition and structure of the board of directors and the directors’ participation in the operation of the company.

① Overall evaluation:

The composition of the board of directors has a balanced structure of internal and external directors as well as independent director seats, and takes into account the diversity of gender, nationality, and professional skills, with professional backgrounds in business management, industrial technology, and financial law, which all meet the needs of the company’s development. In addition, the board of directors meeting is held quarterly to assist directors in supervising the company’s operational status and policy implementation in a timely manner.

② Suggestions and condition of improvement:

Suggestions: The board of directors shall have enough independent director seats, with the number of seats meeting the relevant requirements.

Condition of improvement: The election of the entire board of directors has been held on May 26, 2022, in which 4 independent directors have been set up, with the number of seats meeting the relevant requirements.

(2) Implementation of the evaluation of the board

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation content
Once a year	2021.01.01~ 2021.12.31	Including the performance evaluation of the board of directors as a whole, individual board members, each functional committee	Internal evaluation of the board, self-evaluation by the board members, and self-Performance evaluation of the functional committees (Audit Committee and Remuneration Committee)	The criteria for internal evaluation of the board as a whole should cover the following five aspects: A.Participation in the operation of the company; B.Improvement of the quality of the board of directors’ decision making; C.Composition and structure of the board of directors; D.Election and continuing education of the directors; and E. Internal control and risk management.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation content
				<p>The criteria for evaluating the performance of the board members should cover the following six aspects:</p> <p>A. Alignment of the goals and missions of the company;</p> <p>B. Awareness of the duties of a director;</p> <p>C. Participation in the operation of the company;</p> <p>D. Management of internal relationship and communication;</p> <p>E. The director's professionalism and continuing education; and</p> <p>F. Internal control.</p> <p>The criteria for evaluating the performance of functional committees should cover the following five aspects:</p> <p>A. Participation in the operation of the company;</p> <p>B. Awareness of the duties of the functional committee;</p> <p>C. Improvement of quality of decisions made by the functional committee;</p> <p>D. Makeup of the functional committee and election of its members and</p> <p>E. Internal control.</p> <p>In 2021, the results of EMC's performance evaluation of board members, internal performance evaluation of the Audit Committee, and internal performance evaluation of the Remuneration Committee all showed "Excellent" performance, which have been submitted to the board of directors on February 22, 2022.</p>

An evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years, and measures taken toward achievement thereof:

- (1) Targets for strengthening of the functions of the board: EMC has formulated the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", and performs the functions of the board of directors in accordance with relevant regulations.
- (2) Measures taken toward achievement: EMC has amended the Articles of Incorporation and held the election of the entire board of directors on May 26, 2022, in which 4 independent directors have been elected.