

## **Board diversity and independence**

The company has established "Corporate Government Best Practice Principles" and "Procedures for Election of Directors". When selecting of company directors, it is important to consider the overall composition of the board of directors. To achieve the goals of corporate governance, board members should possess the necessary knowledge, skills and qualities to fulfill their duties. The following abilities are particularly important:

1. Operational judgment ability.
2. Accounting and financial analysis skills.
3. Operation and management capabilities.
4. Crisis handling capabilities.
5. Industrial knowledge.
6. International market outlook.
7. Leadership skills.
8. Decision-making ability.

More than half of the director seats should be independent, meaning they should not be related to spouses or relatives within the second degree. Additionally, the company may appoint two or more independent directors in accordance with the articles of association, with the number of independent directors shall not be less than one-fifth of the total number of directors.

### **(1) Board diversity policy objectives**

The company's "Corporate Government Best Practice Principles" (Article 20) and "Director Election Methods" (Article 3) outline the objectives of the board diversity policy. That composition of the board of directors should consider diversity and develop appropriate diversity policies based on the company's operations, operating types and development needs. These policies should include but not be limited to the following two major standards:

1. Basic conditions and values: gender, age, nationality and culture.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

The company has set goals for board diversity based on this policy. The aim is to have one female director, one-third of the directors as independent directors, one-third of the directors as employee directors, and one director with with professional abilities in law or technology. This will improve board diversity and corporate governance.

The current board of directors' term is from June 27, 2023 to June 26, 2026

According to the articles of association, the company has nine directors. The current directors were elected at the shareholders' meeting June 27, 2023, and complied with relevant laws and regulations. All nine directors are of local nationality, including three employee directors (accounting for 1/3 of the director seats) and three independent directors (accounting for 1/3 of the director seats). The board of directors has elected two female directors and has the goal of board diversity with rich experience with Corporate Governance and Risk Management.

The company has nine directors as stipulated in its articles of association. The current board members were elected at the shareholders' meeting held on June 27, 2023, in compliance with relevant laws and regulations. All nine directors are of local nationality, comprising three employee directors (constituting one-third of the board seats) and three independent directors (also constituting one-third of the board seats). When planning policy goals, board members are expected to possess operational management capabilities, industry knowledge, and financial expertise. The current board includes two female directors with specialized knowledge in corporate governance, risk management, accounting, and environmental protection.

#### Gender Diversity Explanation and Improvement Measures

##### 1. Explanation of Reasons:

The company has established a board of nine directors per its articles of association. While the board members elected during the shareholders' meeting on June 27, 2023, comply with legal requirements, only two are female, falling short of the one-third gender diversity threshold. This gap is primarily due to the industry's unique characteristics, which make it challenging to recruit qualified candidates promptly.

##### 2. Measures to Improve Gender Diversity:

To enhance gender diversity, the company will, before the next board re-election, actively seek talent recommendations through diverse channels, including industry associations and academic institutions. These efforts aim to strengthen corporate governance and effectively implement a policy promoting board member diversity.

The table below outlines the board's diversity goals and their implementation status:

#### Implementation of Diversity Among Board Members

Core Projects / Director's Name	Basic Conditions								Business And Industrial Experience			Professional Ability			
	Nationality	Gender	Age Range (Years)			Part-Time Employee	Years Of Experience as an Independent Director (Years)			Operation	Leadership and Decision making	Industry Knowledge	Financial Accounting	Legal Risk	Environmental Protection
			50   60	61   70	Over than 70		Less than 3	3 To9	Over than 9						
Wen Hsu	R.O.C.	male	V			V				V	V	V			
Y.A. Chen	R.O.C.	male		V		V				V	V	V			
J.S. Wang - Legal Rep. of UIS Co.	R.O.C.	male	V							V	V	V			
S.G. Wang	R.O.C.	male			V			V				V			V
J.K. Sung	R.O.C.	male	V			V				V	V	V			
James Ho	R.O.C.	male		V						V	V	V	V		
Y.J. Ding	R.O.C.	male		V					V	V	V		V		
Y.L. Su	R.O.C.	male			V			V		V	V	V			
J.C. Hsieh	R.O.C.	female		V			V			V	V	V			

## (2) Independence of the Board of Directors

According to Articles of Incorporation, that the company shall have between seven to nine directors. The shareholders' meeting appoints directors who have the capacity to act and are eligible for re-election. As per the Securities and Exchange Act, the company shall have independent directors within this number, with a minimum of three. Directors, including independent directors are selected through a candidate nomination system.

Currently, the company has nine directors, who were elected at the shareholders' meeting on June 27<sup>th</sup>, 2023. Among them, three are independent directors, accounting for one-third of the directors. Each director has provided the company with a written statement or information, confirming their independence from the company and their immediate family members. They have also confirmed that there are no circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. These circumstances include the presence of spouses and relatives within the second degree of relationship between directors. This confirms compliance with relevant laws and regulations.

Information about all board members is published in the annual report, Corporate Governance Report II. Information about directors, general managers, deputy general managers, associate managers, and heads of departments and branches is also included. Furthermore, the company's website, [https://www.ablerex.com.tw/ch/csr\\_2\\_1.php](https://www.ablerex.com.tw/ch/csr_2_1.php), publicly discloses relevant information such as board members, training status and diversity implementation status.