

The Board of Director's Diversity

According to paragraph 2 of Article 29 of the Corporate Governance Best Practice Principles of CHANG HWA COMMERCIAL BANK, LTD, the composition of the Board of Directors shall be determined by giving due consideration. It is advisable that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, race, and culture, the appropriate proportion of female director should reach one-third of the Board of Directors thereinto.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments: In order to determine the future development strategies of the Bank, the members of the Board of Director should be able to judge operating conditions and establish directions; therefore, evaluate business efficiency and achievements of the Bank.
2. Ability to perform accounting and financial analysis: Considering that operating achievement, asset quality and profitability of the Bank, customers, counterparties and investments are reflected in the accounting and financial statements; consequently, for making proper judgment, the members of the Board of Director should possess accounting and finance analytical ability.
3. Ability to conduct management administration: In order to increase the competitiveness, create business efficiency, maximize the internal quality and organizational potential of the Bank, the members of the Board of Director should possess management ability.
4. Ability to conduct crisis management: For the sustainable development of the Bank, the members of the Board of Director should possess the ability to conduct crisis, therefore ensure the Bank will respond promptly, and protect the interests of the Bank, shareholders and customers.
5. Knowledge of the industry: Financial industry is highly competitive and financial markets are changing rapidly, in addition, customers of the Bank are from various industries. For adjust the strategies and directions of the Bank correctly and appropriately, the members of Board of Director should possess the knowledge of industry here before.

6. An international market perspective: Global financial developments are interacted, beside, The Bank engages in deploying overseas markets aggressively. The members of the Board should possess an international outlook of the market, pay attention to the international economic situation continuously and response carefully.
7. Ability to lead: The members of the Board of Director should possess the ability to lead and control the internal and external environment of the Bank, therefore leading the Bank and all of the staff I make it discharge their due responsibility and capabilities for the achievement of the Bank's goals, the members of Board of Director should possess the ability to lead and control the internal and external environment.
8. Ability to make policy decisions: Being the policy-making instrumentality of the bank, for the purpose of making the Bank continually perfection in all aspect, the members of the Board of Director should possess the ability to make management and business strategy decisions of the Bank.

CHANG HWA COMMERCIAL BANK, LTD.'s Board of Directors comprises 9 directors, including 3 independent directors(accounting for 33.3% of all directors), none of Directors serves as the Bank's manager or employee, except for Mr. Chao-Chung Chou who serves as President and Director (11.1%). The members are well-experienced in law, accounting, finance, marketing and technology respectively; possessing the abilities to make operational judgments, perform accounting and financial analysis, conduct management administration, manage risk, conduct crisis, lead and make policy decisions and also have knowledge of the industry, international market perspective, stated in Article 29 of the Corporate Governance Best Practice Principles of CHANG HWA COMMERCIAL BANK, LTD., bring into complementary effect of diversity. Moreover, the composition of Bank's Board meet the diversity goal with respect to gender and professional background. The directors of the 26th term Board of Director includes 2 female member (accounting for 25% of all directors),2 newly-elected independent directors and 1 natural-person directors(there were 2 natural-person directors when the 26th term Board of Director elected, Mr. Jalius Chen resigned on Apr.12 2023). All members' nationality are Taiwan R.O.C, four Directors aged 51-60, two aged 61-70,and two aged 71-80. All members possess the necessary knowledge, skills, and accomplishments to perform their duties, and meet the qualification requirements set in "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks."

As following list:

Criteria Name	Basic Composition								Professional Background						Professional Competence				
	Nationality	Gender	Age				Seniority as Independent Director		Accounting	Finance	Business	Banking	Insurance	Law	Business Strategy and Management	Economics and Monetary Market	Taxation, Administration and Asset Management	International Finance and Knowledge of the Industry	Internal Audit and Control and Compliance
			51-60years old	61-70years old	71-80years old	81-90years old	Less than 3 years	6years-9years											
Jong-Yuan Ling	R.O.C.	F		√					√	√	√	√	√	√	√	√	√	√	√
Chao-Chung Chou	R.O.C.	M	√						√	√	√	√	√	√	√	√	√	√	√
Jung-Chun Pan	R.O.C.	M			√			√	√	√	√	√	√	√	√	√	√	√	√
Shiu-Yen Lin	R.O.C.	F	√						√	√	√	√	√	√	√	√	√	√	√
Chien-Yi Chang	R.O.C.	M	√						√	√	√	√	√	√	√	√	√	√	√
Wen-Siung Lee	R.O.C.	M		√					√	√	√	√	√	√	√	√	√	√	√
Jong-Horng Lin	R.O.C.	M	√					√			√	√	√	√		√	√	√	√
Chih- Jong Suen	R.O.C.	M			√			√	√	√	√	√	√	√	√	√	√	√	√

The Bank's diversification policy of the Board of Directors in specific management goals and achievement status:

Specific management goals: To diversify the gender (each gender occupies at least one-third of all directors) and professional skills of the Board of Directors.

Current achievement status: The members of the Bank's Board of Directors has backgrounds including banking, insurance, economics, accounting, finance, business, law, internal audit, and industry, etc., complies with the Bank's business development; there are two female board member which the goal is three; the Bank will continuously enhance and improve.