

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. Among them, the number of directors of different genders may not be less than one, and the proportion of female directors in the board of directors should reach one-third of the directors.
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 risk management: In order to make decisions reduce the risks to the Bank effectively, the members of the Board of Director should possess the ability to manage both internal and external risks, assess and analyze the potential short, medium, and long-term impacts of various risks on the Bank.

5. 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.
6. 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.
7. 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.
8. 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 1 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.
9. 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.

The bank's Board of Directors is composed of 9 directors, including 3 independent directors (33.3%). Apart from Mr. Chao-Chung Chou, who holds the positions of Director and President of the bank, and Mr. Jen-Chieh Hsu, who is an employee of the bank(22.2%), no other directors concurrently hold managerial positions or serve as an employee at the bank. The Directors have professional backgrounds in accounting, finance, banking, insurance, law, marketing, technology, securities, venture capital, administration, taxation, asset management, economics, business, information management, E-Commerce and Online Marketing, monetary policy, labor rights and compensation management, ESG and sustainability, etc., and based on their background and experience, they are equipped with the competencies-operational judgments, accounting and financial analysis, business management, risk management, crisis management, knowledge of the industry, international market perspective, leadership and decision-making-as stipulated in Article 29 of the bank's Corporate Governance Best Practice Principles. Among them, three directors have the qualifications of persons in charge of

commercial banks, asset management company, and bills finance corporation, one is a Director of the Central Bank, one has served in the Financial Supervisory Commission, and one is the current Vice President of the Bank's Corporate Union. Of the three Independent Directors, one holds the qualification of a practicing lawyer; one holds the qualifications of an accountant; and one is an expert in the field of information management, demonstrating a complementary result. The member, gender and expertise composition of the Board are in compliance with the Bank's goal of board diversity. The directors of the 27th term Board of Director includes 3 female directors (33.3% of all directors), moving toward the goal of having more than 1/3 of the Board per gender. There are 3 new professional independent directors, and 1 natural-person director in the 27th term Board of Directors. All Director are nationals of the Republic of China, aged between 41-50(one person), aged 51-60(six persons), and 61-70(two persons). All Directors are equipped with the required knowledge, skills and competencies for their duties, and are compliant with the "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				Industrial Experience																	Professional Competence												
	Nationality	Gender	Age			Seniority as Independent Director		Accounting	Finance	Banking	Insurance	Law	Marketing	Technology	Securities	Venture Capital	Administration	Taxation	Asset Management	Economics	Business	Information Management	E-commerce and Online Marketing	Monetary Policy	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct Risk Management	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead and make policy decisions	labor rights and compensation management	ESG and sustainability
			41-50years old	51-60years old	61-70years old	Less than 3 years	6years-9years																											
Kuang-Hua Hu	R.O.C.	M			V			V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V
Chao-Chung Chou	R.O.C.	M		V				V	V	V	V		V				V	V	V	V	V				V	V	V	V	V	V	V	V		V
Yu-Hsueh Wu	R.O.C.	M		V		V		V		V	V				V		V	V	V	V	V				V	V	V	V	V	V	V	V	V	V
Shiu-Yen Lin	R.O.C.	F		V						V	V						V		V	V					V	V	V	V	V	V	V			V
Chien-Yi Chang	R.O.C.	M		V							V			V		V			V					V										V
Wen-Siung Lee	R.O.C.	M			V			V	V	V	V		V		V	V			V	V				V	V	V	V	V	V	V	V	V	V	V
Jen-Chieh Hsu	R.O.C.	M	V						V	V		V					V									V	V	V	V	V	V	V	V	V
Shu-Hua Lee	R.O.C.	F		V		V		V	V	V										V					V	V	V	V	V	V	V	V	V	V
Chao-Kuei Huang	R.O.C.	F		V		V				V		V	V		V	V				V	V	V			V		V	V	V	V	V	V	V	V

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

Specific management goals: The number of directors of different genders may not be less than one, and the proportion of female directors in the

board of directors should reach one-third of the directors, and having diverse professional background.

Current achievement status: The Bank's Board of Directors' background encompasses an array of fields, including accounting, finance, banking, insurance, law, marketing, technology, securities, venture capital, administration, taxation, asset management, economics, business, information management, E-commerce and Online marketing, monetary policy, risk management, labor rights and compensation management, ESG and sustainability, etc., which is in line with the Bank's operational development. At present, the bank has three female directors, thus realizing the Bank's goal of Board diversity policy.