The Board of Directors' diversity policy

Corporate governance principles

Taiwan Secom Group values the long-term interests of the Company and all shareholders, and the Board members exercise their powers based on the principles of objectivity and independence. Based on the duty of good faith and the principles of corporate governance, all shareholders vote to assemble the Board of Directors, and several Functional Committees are formed under the Board of Directors. There are also Independent Directors who reinforce the capacity of the Board of Directors to ensure its effective operation and protect the long-term rights and interests of shareholders.

The Board of Directors' diversity policy

For the professionalism and independence of the Board of Directors, Taiwan Secom Group followed Article 20 of the "Corporate Governance Best Practice Principles" and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" to define the knowledge, skills and characters generally needed by the Board of Directors to perform their duties. The Board of Directors as a whole should have the following capabilities:

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

Diversity of the Board of Directors:

A. Improve Board of Directors functions: The Board meeting is held at least once a quarter, and the Chairman is mainly responsible for improving corporate governance and presiding over the operation of the Board. According to the Company's Articles of Incorporation and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", the selection of Directors takes into account the overall configuration of the Board. The composition of the Board of Directors considers judgement in operations and management capabilities, accounting and financial analysis capabilities, risk management, industry knowledge, international market perspectives, leadership, decision-making ability, etc.

B. Professional and diverse Board of Directors:

The Company’s 16th Board of Directors consists of 11 Directors, including 3 Independent Directors, with 27% of the seats held by Independent Directors, thereby enhancing the independence of the Board. The Board meeting is held at least once a quarter, and the Chairman is mainly responsible for improving corporate governance and presiding over the operation of the Board. The Company also emphasizes gender equality in the composition of the Board of Directors and aims to increase the number of Directors of each gender to one-third. Of the 11 members of the Board of Directors, 91% (10) are male Directors (including Independent Directors) and 9% (1) are female Directors. The Company shall endeavor to increase the number of female Board members in the future, and has already achieved its goals.

C. Implementation of diversity of Board members:

The current Board of Directors is composed of 11 Directors, all of whom have corporate management practices in listed companies. In addition to possessing leadership and decision-making, crisis management skills and international market insights, among the 3 Independent Directors, CHEN Tien-Wen is the Chairman of CAI Global Holdings Ltd., CHIANG Yung-Cheng is the partner attorney of Cheng bang & Cheng Yang United Law Firm, and TUNG Chun-Yi is the Chairman of Ability Venture Management Co., Ltd. They have expertise in legal practice, finance and accounting, industry knowledge and business judgment, respectively. Among the other 8 non-Independent Directors, as well as possessing key managerial experience, Directors LIN Hsiao-Hsin and HSU Lan-Ying serve as Chairman of listed companies, Director LIN Chien-Han is an industry professional, Director LIN Ming-Sheng has a doctorate in law and is an industry professional, and Director TU Heng-Yi is the Chairman of Wan Yuan Textile Co., Ltd.

Composition and capabilities of the Board of Directors:

Diversity policy / Name	Basic Composition (Note 1)			Professional experience (Note 2)						
	Concurrently an employee of the Company	Length of service of Independent Directors		Laws	Accounting	Industry	Finance	Marketing	Technology	Professional competence
		under 3 years	6-9 years							
LIN Hsiao-Hsin				✓	✓	✓	✓	✓	✓	Engineering
LIN Chien-Han	✓			✓	✓	✓	✓	✓	✓	Marketing management
Sadahiro Sato				✓	✓	✓	✓	✓	✓	Economics
Takashi Nakata				✓	✓	✓	✓	✓	✓	Engineering
Hirofumi Onodera	✓			✓	✓	✓	✓	✓	✓	Engineering
LIN Ming-Sheng	✓			✓	✓	✓	✓	✓	✓	Jurisprudence
HSU Lan-Ying	✓			✓	✓	✓	✓	✓	✓	Business
TU Heng-Yi				✓	✓	✓	✓	✓	✓	Enterprise management
CHEN Tien-Wen			✓	✓	✓	✓	✓	✓	✓	Enterprise management
CHIANG Yung-Cheng		✓		✓	✓	✓	✓	✓	✓	Jurisprudence
TUNG Chun-Yi		✓		✓	✓	✓	✓	✓	✓	Engineering

Note 1: For the nationality, gender and age of each Director and Independent Director, please refer to (I) Director 1. Profile of Directors in the annual report.
Note 2: ✓ means capability in the field.

Independence of the Board of Directors:

A. The Company has 11 Directors, including 3 Independent Directors, who account for 27% of the Board seats. The Independent Directors of the Company have issued statements at the time of election and during their term of office, respectively, stating that they meet the eligibility criteria specified in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and Article 14-2 of the Securities Exchange Act two years before being elected and during the term of office. The company shall review the independence of Independent Directors every year and issue an Independent Director qualification checklist for future reference in order to comply with the independence requirements.

B. Vice Chairman LIN Chien-Han and the representative of Yuan Hsin Investment Co., Ltd., LIN Ming-Sheng, are relatives within the second degree of kinship, and there are no circumstances stipulated in Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act.

The basic composition of the Board of Directors is as follows:

Name of Director	Basic Composition									
	Nationality	Gender	Concurrently an employee of the Company	Age				Length of service of Independent Directors		
				41 to 50	51 to 60	61 to 70	71 to 80	under 3 years	3 to 9 years	Over 9 years
LIN Hsiao-Hsin	ROC	Male					✓			
LIN Chien-Han	ROC	Male	✓	✓						
Sadahiro Sato	Japan	Male				✓				
Takashi Nakata	Japan	Male			✓					
Hirofumi Onodera	Japan	Male	✓			✓				
LIN Ming-Sheng	ROC	Male	✓	✓						
HSU Lan-Ying	ROC	Female	✓			✓				
TU Heng-Yi	ROC	Male				✓				
CHEN Tien-Wen	ROC	Male				✓			✓	
CHIANG Yung-Cheng	ROC	Male				✓			✓	
TUNG Chun-Yi	ROC	Male		✓					✓	