

Talent recruitment and development

Taishin uses a rigorous talent selection system to identify candidates to succeed board members and key managers. In addition to outstanding professional skills, successors must possess integrity, share the values of the company, and have core capabilities of an executive manager, such as strategic thinking, leadership, interdisciplinary integration, and change and innovation. Meanwhile, Taishin deploys a comprehensive development mechanism to maintain and strengthen the professional knowledge and skills of candidates in order to build up a strong talent pool.

Board succession and training planning

Taishin FHC elects its board members according to the "Taishin FHC Director Election Rules". Board members serve a term of 3 years. To strengthen corporate governance and risk management and put an emphasis on board diversity, the selection criteria are not limited to gender, age, race, or nationality, and include education background, industry experience, skills, and professional knowledge to oversee the management team in making major decisions. To achieve an ideal level of corporate governance, the board of directors are equipped with the following abilities:

1. Ability to make sound business judgments.
2. Ability to conduct accounting and financial analysis.
3. Ability to manage a business.
4. Ability to respond to a crisis.
5. Industry knowledge
6. An understanding of international markets
7. Leadership ability
8. Ability to make policy decisions.
9. Risk management knowledge and skills

The current board of directors was elected in June 2018, and consists of 7 members (including 3 independent directors, 1 being female and qualified accountant). The board consists of elite talents from banking, industries and the academia, including 2 Ph.D. degree holders and 2 Masters degree holders. The board members have an extensive range of expertise from financial services, banking, business administration, physics, engineering, accounting, to pharmaceuticals. They possess the general knowledge, skills and competencies required to perform incumbent duties as well as diverse industry backgrounds. Independent directors are appointed according to TWSE's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and the Taishin FHC Chairman does not hold any concurrent position as senior manager. Directors' independence is one of the ways through which the company enforces sustainable governance. Furthermore, all directors and supervisors that the company assigns to its subsidiaries possess a certain level of professional knowledge and management skills. In addition, the company conducts annual performance evaluation on

the directors and supervisors of its subsidiaries.

To ensure board members are always professionally trained and enhance corporate governance, Taishin's directors not only are the industry's elites, but also devote significant attention to continuing education and training. All current directors meet the requirements of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". Experts from Taishin Securities Investment Advisory are invited to brief and keep the directors updated on global political and economic trends on a monthly basis.

Board members are being educated not only on the current state of economy or environment, but also on other issues including corporate governance, risk management, business, commerce, accounting, legal affairs, AML, CFT and corporate social responsibilities to provide them with the expertise needed to manage the organization.

Manager succession and training planning

For key managers, such as Taishin FHC president and managers, successor candidates must possess exceptional abilities in their professional fields, and their personality traits and conduct must share the company's core values (integrity, commitment, innovation, and cooperation).

The company started appointing a digital senior vice president and an executive vice president to the management team in 2018. In addition to overseeing a number of divisions, the two positions are involved in various missions and projects with the aim to build up strategic planning skills, take the lead in change and innovation, and prepare future successor candidates. In 2019, Taishin worked with an international consulting firm in redefining executive profiling to provide a basis for selecting potential talent and candidates to succeed executive managers and for implementing training programs to support business management and develop the executive talent pool.

Training models for candidates to succeed managers and executive managers can be divided into four modules: management skill training, professional skill training, individual development program, and job rotation. The modes of development include participation in important meetings, case study workshops, professional courses, mentoring, and middle and back office learning plans. Each module is tailored to an individual's skills and experiences and builds a 2- or 3-year training program. The participant will combine professional and management skills to hone his/her business acumen and decision making process and to meet the demands of the environment and the organization.