

# PROLIFIC TECHNOLOGY INC.

## Diversity and independence of the board of directors

### (1) Diversification of Board of Directors

① The diversity policy on the composition of the Company's directors is stipulated in Article 20 of the Company's code of corporate governance, in which Directors who concurrently serve as company managers should not exceed one-third of the total number of board members. It is also established based on the Company's operations, operating methods and development needs. An appropriate diversity policy shall include but not be limited to the following standards:

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

Members of the board must generally have the knowledge, skills and experiences necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:

1. Operational decision-making
2. Accounting and financial analysis
3. Administration and management
4. Crisis management
5. Industry knowledge
6. Global market perspective
7. Leadership
8. Policy decision-making

② Disclosure on the implementation of the board diversity policy:

(i) The 13th session's board of directors comprises members with extensive experience and expertise in the fields of finance, business, management and the electronics & semiconductor industry. Chang Ching-Tang, Liu Tay-Ho and Lin Jian-Hong have strong business management and operational decision-making skills as well as deep industry knowledge. Liu Tay-Ho is a special research consultant at the Industrial Technology Research Institute while Lin Chin-Shih is a certified public accountant. The four independent directors; namely, Cheng Ken-Yi, Liu Chin-Tang, Shih Kuo-Yang and Hsu Cheng-Kun, specialize in business. Cheng Ken-Yi currently serves as a director in the securities and financial industry, and also as a director in a number of electronics and semiconductor companies. He helps provide the Company with relevant knowledge and contacts in the financial markets and the electronics & semiconductors industry. Liu Chin-Tang is a CPA in Taiwan and has retired in 2006. In addition to providing knowledge and guidance in financial statement analysis, Mr. Liu is also committed to promoting the Company's corporate governance practices in terms of knowledge construction. Shih Kuo-Yang has extensive marketing knowledge and experience in the computer and information technology industry. Hsu Cheng-Kun, as a practicing lawyer, he can provide legal advice on the Company.

(ii) The proportion of independent directors in the Company is 50%, of which the tenure of three independent directors is less than nine years, and the tenure of one independent director is about 16 years. One of the eight directors is between 71 and 80 years old, six of the eight directors are between 61 and 70 years old, and

one is between 51 and 60 years old.

Name	Diversity core competence	Basic Components							Industry Experience					Professional Ability					
		Country of Citizenship	Gender	Director concurrently serves as employee	Age			Independent Director tenure			Management	Business and supply	Semiconductor and electronic components	Information technology	Finance	Accounting	Business	Law	Risk Management
					51-60 years old	61-70 years old	71-80 years old	under 3 ears	3 to 9 years	over 9 years									
Chang Ching-Tang		R.O.C.	Male	✓		✓					✓	✓	✓	✓			✓		✓
Liu Tay-Ho		R.O.C.	Male				✓				✓	✓	✓	✓			✓		
Lin Chin-Shih		R.O.C.	Male			✓					✓				✓	✓			✓
Provista Inc. legal person representative: Lin Jian-Hong		R.O.C.	Male	✓		✓					✓	✓	✓	✓			✓		
Cheng Ken-Yi		R.O.C.	Male			✓				✓	✓	✓			✓	✓	✓		✓
Liu Chin-Tang		R.O.C.	Male			✓			✓		✓				✓	✓			✓
Shih Kuo-Yang		R.O.C.	Male			✓		✓			✓	✓	✓	✓			✓		
Hsu Cheng-Kun		R.O.C.	Male		✓			✓			✓							✓	

(iii) The orientation, complementarity and implementation of director diversity are included in the standards set out in Article 20 of the "Code of Practice for Corporate Governance for Listed OTC Companies". However, there is still a shortage of female directors. It is expected that the number of female directors will be increased when the term of directors expires in 2026. The quota for female directors will be updated in a timely manner at the end of each term, depending on the board's operation, operating type and development needs, including but not limited to two major standards: basic conditions and values, and professional knowledge and skills, to ensure that board members should generally possess the necessary knowledge, skills and qualities to perform their duties.

(2) Independence of the board of directors:

The selection process of all directors of the Company is open and fair, thus complying with the Company's "Articles of Association", "Corporate Governance Code", "Appointment of Independent Directors and Compliance Matters for Public Companies", "Securities Exchange Law Article 14-2", and so on. The current board of directors is composed of eight directors, including four independent directors, accounting for 50% of all directors; two are concurrently employees of the Company (Chang Ching-Tang and Lin Jian-Hong, legal person representative of Provista Inc.), accounting for 25% of all directors. Only two of the directors (the chairman of the legal person director Provista Inc. and the Company's chairman Chang Ching-Tang) have a second-degree of kinship by marriage, while the rest of the directors have no spouses or relatives within the second degree of kinship, which complies with Clause 3 and Clause 4 of Article 26-3 of the Securities Exchange Act.