



Delpha Construction Co., Ltd.

Succession Planning for Board Members and Key Management

1. The term of directors of the company is three years, from June 23, 2020 to June 22, 2023. The director candidates are nominated by major shareholders and voted by the shareholders' meeting to form the Board of Directors. Board members need to possess professional backgrounds (such as law, accounting, management, finance and construction) and professional skills (such as operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market outlook, leadership skills and decision-making ability, etc.). The Company proceed its director succession planning based on the following qualifications to build a database of director candidates:
 - (1) Integrity, responsibility, innovation and decision-maker as personal traits, which match the core values of the Company, and possess professional knowledge and skills that could benefit the Company's operation and management.
 - (2) The overall Board of Directors should have industrial experience (such as: real estate, law, banking, accounting, taxation) and professional capabilities (such as: business management, leadership of decision-making, crisis management, industry knowledge) related to company business.
 - (3) The addition of this member is expected to provide an effective, diverse Board of Directors which meets the needs of the Company.
2. The Company has established the "Self-Evaluation or Peer Evaluation of the Board of Directors and Functional Committees" and conducts performance evaluations on a regular basis. Through related measurements, including the control of company goals and



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tasks, directors' responsibilities awareness, participation procedures in company operations, internal relationship management and communication , Directors' professional functions and continuous education, internal control and specific opinions, etc., which serve as a confirmation of the effective operation of the Board of Directors, and to evaluate the performance of directors as a reference for future director selection.

3. The chairman of the company is a promising young person with a dynamic and active leadership style. In case of a major decision-making situation, in addition to referring to the advice of professionals (such as accountants and lawyers), he also discusses the decision-making direction with senior executives (general manager and deputy general managers), before deciding the implementation. After the decision of project direction, the senior executives will lead a number of middle-level executives (managers, assistant managers) to actually fulfill the project, so as to facilitate the effective operation of the Company. In addition, the roles played by middle-level managers are mainly: 1. Staff unit, providing important opinions for decision makers to accurately take major decisions; 2. A bridge for policy advocacy and communication between junior employees and senior managers.
4. The Company provides education and training opportunities (internal or external training), so that management managers and general staff can improve their professional knowledge and skills. Thus improving efficiency at work, and mid-level managers also participate in supervisory meetings and meetings of various departments on weekdays. In addition, the company implements the mechanism of substitution. When employees are on vacation or on business trips, other employees are entrusted to perform duties on their behalf. By having the communication and discussion process of each meeting, the job substitution mechanism contributes to continuously accumulate experiences, train general



staff and the ability of middle-level managers to deal with people and things and to prevent the Company's lack of talent, so as to achieve the consistency of the Company's overall operation direction and respond to the rapidly changing environment.

5. The succession plan and operation of the members of the Board of Directors and important management of the company are as follows:

Job Title	Succession Plan	Training Situation	Achievement
Chairman	The young and promising chairman has no succession plan, so it is not applicable.	Although the current chairman has no succession plan, he still participates in educational training and continues to learn professional knowledge and skills.	Not Applicable
Director	Conduct performance evaluations on a regular basis to serve as a reference for future director selection.	Director participates in educational training and continues to learn professional knowledge and skills.	Ongoing
Independent Director	Conduct performance evaluations on a regular basis to serve as a reference for future director selection.	Independent director participates in educational training and continues to learn professional knowledge and skills.	Ongoing



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General Director and Deputy General Manager	Train major management levels, so that the Company's talents can be promoted to achieve the succession goal by leading and learning.	Directors participate in educational training and continue to learn professional knowledge and skills.	Ongoing
Supervisor of Corporate Governance	Train major management levels, so that the Company's talents can be promoted to achieve the succession goal by leading and learning.	Supervisor participates in educational training and continues to learn professional knowledge and skills.	Ongoing