

Succession Planning for Key Management and Board Members

In accordance with the “Best Practice Principles of Corporate Governance” , Paragon Technologies implements a policy of board member diversity. Currently, there are 6 directors (including 4 independent directors) who possess diverse industry experience and expertise in finance, accounting, and other professional fields. The results of the annual “Director Performance Evaluation” will be provided to the board as a reference for director reappointment.

The company currently has a number of senior management professionals who can be candidates for future directors. The composition of the board of directors is diversified; the number of directors who concurrently serve as the company’ s managers does not exceed one-third of the directors’ seats. Gender equality is emphasized, and all directors own the necessary knowledge, skills, and accomplishments to perform their duties. After the 2024 shareholders' meeting re-elected legal director Chun Tung International Investment Co., Ltd (legal representative: Huang, Yi-Chun), Mr. Huang was nominated and approved by the board of directors to take over as chairman. The current general manager, Ms. Yu, Hsiu-Ping, joined Paragon as a business specialist in 2001, took over as executive vice president in 2021, and took over as general manager in 2024. Ms. Liu, Ming-Yi, the current Executive Vice President, joined the Company in 2003 as a Finance Specialist. She was appointed Senior Manager of the Finance Department in 2013 and assumed the role of Executive Vice President of the Finance Department in 2026.

Regarding succession planning for key management, in addition to identifying and selecting potential successors, the company implements individual development plans to assist effectively enhancing their succession capabilities and reducing the time of handing over.

The company's management department is responsible for establishing a talent development mechanism for succession planning. Key positions are defined, and 2 to 3 potential successors are identified for each position, along with specified timelines for their readiness. The timelines are categorized into four preparation periods: immediate to within one year, one (inclusive) to three years, three (inclusive) to five years, and over five years.

The training program for senior management successors consists of four major modules: managerial skills, professional expertise, personal development, and job rotations. These modules cover areas such as human resources, financial risks, overseas assignments, EMBA programs, language learning, and more. Each module has a curriculum duration of 3-5 years. Through professional training, participants integrate and apply their knowledge to develop decision-making and judgment skills required for future business management. Each individual is allocated six to eighteen hours of training courses annually. By combining management training and job assignments, the selected successors enhance their business management capabilities and thinking. They complete their succession preparations before the scheduled transition timeline (a total of 5 participants in the 2019-2025 training cycle).