

Advantech Co., Ltd.

Succession Planning for Board Members and Key Management Personnel

With a history spanning over 40 years, Advantech remains committed to sustainable development. Since 2023, the Company has officially launched its management succession plan, anchored in a 'professional management system' and guided by a growth mindset that emphasizes both internal and external drivers. Internally, the Company strengthens its corporate governance; externally, it focuses on three key aspects—talent, opportunities, and synergy through partnerships. To seize the next wave of business opportunities in Edge Computing and Artificial Intelligence (AI), the Company is adopting long-term performance and incentive mechanisms to attract top talent, actively exploring emerging industries, and promoting openness in mergers and acquisitions and external collaborations.

1. Succession Planning and Operation for Board Members

The nomination of directors is conducted in accordance with the Articles of Incorporation through a candidate nomination system. The Corporate Governance Best Practice Principles specify that Board composition should consider diversity based on the Company's operations, business model, and developmental needs. The diversity policy covers, but is not limited to, basic attributes and values (such as gender, age, nationality, ethnicity, and culture — with a principle of having no less than 10% female directors), professional knowledge and skills, and industry experience.

The structure of the Board is determined in consideration of the Company's scale and the shareholding of major shareholders, balanced with practical operational requirements. Advantech continues to implement its Board member succession plan by establishing a candidate database based on the following criteria:

- Integrity, accountability, innovation, and decisiveness in alignment with the Company's core values
- Possession of relevant professional knowledge and skills beneficial to the Company's operations
- Industry experience related to the Company's business
- Ability to contribute to an effective, collaborative, and diverse Board that aligns with corporate needs
- Collective Board expertise covering corporate strategy and management, accounting and taxation, finance, and law
- All candidates undergo qualification review and comply with relevant regulations to ensure suitable successors can be identified and appointed when vacancies arise or Board expansion is planned

In addition, the Company has established a 'Board Performance Evaluation Policy,' under which performance indicators such as control over corporate goals, awareness and execution of

responsibilities, engagement in operations, internal communication, professional development, and internal control are assessed. These evaluations serve as a reference for future Board nominations and to ensure the effectiveness of Board operations.

2. Succession Planning and Operation for Key Management Personnel

Key management personnel include the President, CEO, and other top executives. Managers are appointed by function and are responsible for relevant operational tasks. Deputy roles are designated at all managerial levels. In addition to the necessary professional skills and experience, key executives must align with the Company's core values of People-centric Environment, Integrity, Excellence and Innovation, and Altruistic Contribution.

To develop key management talent, the Company facilitates growth through job rotations, on-the-job training, and participation in extended SDCs and key management meetings such as the Corporate Project Meeting (CPM), which enhance business insight and strategic thinking.

Furthermore, the Company implements the HL APEX (High Level Advantech People of Excellence) program, a high-potential talent development initiative. Each year, the Chairman and GMs of each business group jointly select 8–10 candidates, evaluate their development, and formulate Individual Development Plans (IDPs) based on their strengths and areas for growth. These candidates are assigned major strategic projects and tasks, paired with a senior coaching team to enhance their leadership, management capabilities, and innovation.