

Remuneration of Directors (including Independent Directors), President, and Executive Vice Presidents

A. Remuneration of Directors (including Independent Directors)

2023/12/31 / Unit: NT\$ thousand

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation paid to directors from an invested company other than SCSB's subsidiary
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing-Employee Bonus (G)						
		SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB		All companies in the consolidated financial statements		SCSB	All companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	LEE CHING YEN STEPHEN	11,420	20,851	-	-	46,000	55,038	5,004	5,917	0.43%	0.56%	9,398	9,398	909	909	-	-	-	-	0.50%	0.63%	None
Managing Director	YUNG CON-SING JOHN (Representative: Magnetic Holdings Limited)																					
Director	YUNG, CHU-KUEN																					
Director	GU, CHAO-CHI																					
Director	CHIOU, YI-JEN																					
Director	LIN, CHIH-HUNG																					
Independent Managing Director	CHEN, MU-TSAI	23,020	23,020	-	-	-	-	218	218	0.16%	0.16%	-	-	-	-	-	-	-	-	0.16%	0.16%	None
Independent Director	HSIEH, KING-HU																					
Independent Director	TSENG, KUO-LIEH																					

Note: 1. Please explain the policy, system, standards, and structure of independent directors' remuneration, and clarify the relation between the amount of remuneration and the duties, risks, and time committed by independent directors: According to Article 31, Paragraph 2 of the SCSB Articles of Incorporation, independent directors of SCSB do not participate in the distribution of directors' remuneration. Furthermore, the Remuneration Committee has discussed and determined individual directors' annual salaries, and submitted the proposal to the Board of Directors for approval based on the complexity of their responsibilities and the businesses the directors are involved in.

2. In addition, the remuneration the directors received in the past year for providing services (such as serving as non-employee consultants) to all companies mentioned in the financial report totals: NT\$9.72 million.

3. SCSB provided one self-owned company car and one rental car. The cost of self-owned car totals NT\$2.47 million. In 2023, the total depreciation was NT\$149 thousand; the annual lease of rental car was NT\$931 thousand; and the fuel cost was NT\$121 thousand. In addition, the salary of the two drivers totaled NT\$2.108 million, which was not included in the remuneration.

Remuneration Bracket

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements
Under NT\$ 1,000,000	-	-	-	-
NT\$1,000,001 ~ NT\$2,000,000	-	-	-	-
NT\$2,000,001 ~ NT\$3,500,000	YUNG, CHU-KUEN GU, CHAO-CHI CHIOU, YI-JEN LIN, CHIH-HUNG	YUNG, CHU-KUEN GU, CHAO-CHI CHIOU, YI-JEN LIN, CHIH-HUNG	YUNG, CHU-KUEN GU, CHAO-CHI CHIOU, YI-JEN	YUNG, CHU-KUEN GU, CHAO-CHI CHIOU, YI-JEN
NT\$3,500,001 ~ NT\$5,000,000	-	-	-	-
NT\$5,000,001 ~ NT\$10,000,000	CHEN, MU-TSAI HSIEH, KING-HU TSENG, KUO-LIEH	CHEN, MU-TSAI HSIEH, KING-HU TSENG, KUO-LIEH	CHEN, MU-TSAI HSIEH, KING-HU TSENG, KUO-LIEH	CHEN, MU-TSAI HSIEH, KING-HU TSENG, KUO-LIEH
NT\$10,000,001 ~ NT\$15,000,000	-	-	LIN, CHIH-HUNG	LIN, CHIH-HUNG
NT\$15,000,001 ~ NT\$30,000,000	YUNG CON-SING JOHN	YUNG CON-SING JOHN	YUNG CON-SING JOHN	YUNG CON-SING JOHN
NT\$30,000,001 ~ NT\$50,000,000	LEE CHING YEN STEPHEN	-	LEE CHING YEN STEPHEN	-
NT\$50,000,001 ~ NT\$100,000,000	-	LEE CHING YEN STEPHEN	-	LEE CHING YEN STEPHEN
Over NT\$100,000,000	-	-	-	-
Total	9	9	9	9

B. Remuneration of the President and Executive Vice Presidents

2023/12/31 / Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing-Employee Bonus (D)				Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Compensation paid to the president and executive vice presidents from an invested company other than SCSB's subsidiary
		SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB	All companies in the consolidated financial statements	SCSB		All companies in the consolidated financial statements				
								Cash	Stock	Cash	Stock	SCSB	All companies in the consolidated financial statements	
President	LIN, CHIH-HUNG (leaving office 2023/7/1)	35,786	35,786	8,010	8,010	34,152	34,152	509	-	509	-	0.54%	0.54%	None
President	KUO, CHING-YI (assuming office 2023/9/13)													
Senior Executive Vice President	PENG, KUO-KUEI													
First Executive Vice President	HUANG, WEN-HWA													
Executive Vice President	HSIEH, FANG-HUI													
Executive Vice President	YEN, WEI-KUO (leaving office 2023/2/18)													
Executive Vice President	LIN, SHIU-YEN													
Executive Vice President	CHANG, WEN-CHEN													

Note: SCSB provided two rental cars. In 2023, the annual lease for the rental cars was NT\$890 thousand; the cost of fuel was NT\$65 thousand; in addition, the salary of two drivers totaled NT\$1.971 million, which was not included in the remuneration.

Remuneration Bracket

Range of Remuneration	Name of President and Executive Vice Presidents	
	SCSB	All companies in the consolidated financial statements
Under NT\$ 1,000,000	YEN, WEI-KUO	YEN, WEI-KUO
NT\$1,000,001 ~ NT\$2,000,000	-	-
NT\$2,000,001 ~ NT\$3,500,000	-	-
NT\$3,500,001 ~ NT\$5,000,000	-	-
NT\$5,000,001 ~ NT\$10,000,000	LIN, SHIU-YEN CHANG, WEN-CHEN	LIN, SHIU-YEN CHANG, WEN-CHEN
NT\$10,000,001 ~ NT\$15,000,000	LIN, CHIH-HUNG PENG, KUO-KUEI HUANG, WEN-HWA HSIEH, FANG-HUI	LIN, CHIH-HUNG PENG, KUO-KUEI HUANG, WEN-HWA HSIEH, FANG-HUI
NT\$15,000,001 ~ NT\$30,000,000	KUO, CHING-YI	KUO, CHING-YI
NT\$30,000,001 ~ NT\$50,000,000	-	-
NT\$50,000,001 ~ NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	8	8

The increase in total remuneration of directors in 2023 compared to 2022 was due to the raise for Independent Directors. The decrease in total remuneration of President and Executive Vice Presidents compared to 2022 was mainly due to the retirement of two senior officers.

2. The relevant policies, criteria, and composition of remuneration, the procedures for setting remuneration, and the relationship to operating performance and future risks:

(1) Policy, Criteria, and Composition of Remuneration:

- a. In order to improve the remuneration system for directors and managers, SCSB has established Remuneration Committee to regularly review the policies, systems, standards, and structures of performance evaluation and remuneration for directors and managers, as well as to regularly evaluate and set the remuneration for directors and managers, and submit its recommendations to the Board of Directors for discussion.
- b. The remuneration of directors shall be determined in accordance with Article 31-1 of SCSB's "Articles of Incorporation", "Remuneration to directors shall be fixed by the Board of Directors with reference to the normal rates prevalent in horizontal trades." In addition, the remuneration of directors is based on Article 36-1, Paragraph 1, "If SCSB has profit for the year, an amount not more than 0.6% of the profit for the year shall be distributed as compensation to the directors." The independent directors shall not participate in the distribution of remuneration to the directors of in accordance with Article 31-2 of "Articles of Incorporation". SCSB periodically evaluates the remuneration of directors in accordance with the "Rules for Performance Evaluation of Boards", and the related performance evaluation and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.
- c. The remuneration of managers is determined by the "Regulations for Remuneration Management", which specify fixed salaries, variable salaries, and duty allowances, and conducts annual market salary surveys to confirm that fixed salaries of managers who are competitively-positioned in the market. Based on the annual performance results, earnings, and performance evaluation, bonuses will be paid for the achievement of targets, net income before tax, return on equity, and earnings per share after tax, as well as non-financial indicators such as the implementation of risk management policies, customer policies, internal controls, compliance with laws and regulations, and corporate ESGs. In addition, according to Article 36-1 of "Articles of Incorporation", "If SCSB has profit for the year, an amount of not less than 0.1% of the profit for the year shall be distributed as compensation to the employees", and the remuneration system shall be reviewed from time to time in accordance with actual operating conditions and relevant laws and regulations.
- d. The compensation package, as defined by the Remuneration Committee's organizational structure, includes cash compensation, stock options, bonus shares, retirement benefits or severance pay, allowances, and other tangible incentives. The scope of the remuneration package is consistent with the "Regulations Governing Information to be Published in Annual Reports of Public Companies".

(2) Procedures for Setting Remuneration Standards:

- a. In order to regularly evaluate the remuneration of directors and managers, the evaluation results are based on the "Rule for Performance Evaluation of Boards" and the "Regulations for Employee Performance Improvement and Handling" applicable to managers and employees, respectively. The Board of Directors' performance evaluation items are divided into five major aspects for a total of 45 items, including the degree of participation in the SCSB's operations, improvement of the quality of Board decisions, Board composition and structure, election of directors, continuing education, and internal control, etc. The performance evaluation of functional committees includes five major aspects: participation in company operations, awareness of functional committees' responsibilities, improvement of functional committee decision quality, composition of functional committees, election of members, and internal control. There are 19~24 evaluation items for different committee members. Individual Board members' performances were evaluated based on six major aspects for a total of 23 items: mastery of the company's goals and mission, awareness of directors' responsibilities, participation in company operations, management of internal relations and communication, directors' professionalism and continuing education, and internal control. The performance evaluation of the SCSB's managers includes financial aspects, customer aspects, process aspects, learning and growth aspects, internal control aspects, and various performance objectives related to key assigned job responsibilities.



- b. The results of the self-evaluation of the performance of the Board of Directors, members of the Board of Directors, and members of functional committees in 2023 indicated good and outstanding scores, demonstrating that the directors and members of the Board of Directors have positive comments on the management of the Board of Directors and functional committees, and that the directors have fulfilled their responsibilities as good stewards, guiding and overseeing the SCSB's strategies, actively participating in the SCSB's operations, and proposing informed decisions. As a result of the performance review of managers for 2023, the performance of all managers met or exceeded the targets set, and most of the evaluation results of the SCSB's annual operating indicators also exceeded the predefined targets.
- c. The performance evaluation and the reasonableness of the remuneration of the directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors on an annual basis, with reference to their individual performance achievement rate and respective contributions, the overall operating performance, and the future risks and development trends of the industry. Furthermore, the compensation system is reviewed in a timely manner in light of the actual operating conditions and relevant laws and regulations, providing reasonable compensation after considering the current trend of corporate governance in order to strike a balance between sustainable development and risk management. The actual amounts of directors' and managers' remuneration for 2023 will be considered by the Nominating Committee and submitted to the Board of Directors for approval.
- (3) Correlation Between Operating Performance and Future Risks:
- a. SCSB's remuneration policy is regularly reviewed based on the overall operating performance, and the remuneration standards are approved based on the performance achievement rate and contribution, thus enhancing the effectiveness of the Board of Directors and the overall organizational team of the managerial department. SCSB also makes reference to industry salary standards to ensure that the remuneration of the management level is competitive in the industry in order to retain outstanding management talent.
- b. The performance objectives of managers are integrated with "risk control" to ensure effective management and prevention of possible risks within the scope of duties and responsibilities, and the results of the actual performance evaluation are linked to the relevant human resources and related salary and remuneration policies. The key decisions made by SCSB's management team are reflected in SCSB's profitability, which in turn is linked to the performance of the management's remuneration and risk management.