WELLELL INC.

Board and Senior Management Succession Planning

(I) Succession Planning for Board Members

1. The company’s "Articles of Incorporation" specify that board elections follow a candidate nomination system. Furthermore, the "Corporate Governance Best Practice Principles" establish a diversity policy for board members, with specific management objectives and implementation plans. The Board is accountable to the shareholders' meeting, and its governance ensures functions are exercised according to laws, the Articles of Incorporation, and shareholder resolutions.Diversity is determined based on operations, business models, and development needs, covering two main categories:

    (1) **Basic Conditions and Values**: Gender, age, nationality, and culture (at least one director must be of a different gender).

    (2) **Professional Knowledge and Skills**: Professional backgrounds (e.g., law, accounting, production, finance, marketing, or technology), specialized skills, and industry experience.

2. Board members generally possess the necessary knowledge, skills, and literacy to perform their duties. To achieve ideal governance, the board as a whole should possess the following abilities:

    (1) Operational judgment

    (2) Accounting and financial analysis

    (3) Management and administration

    (4) Crisis management

    (5) Industry knowledge

    (6) International market perspective

    (7) Leadership

(8) Decision-making

3. The company established the "Board Performance Evaluation Measures" to assess performance through criteria such as mastery of company goals/tasks, role awareness, participation in operations, internal relationship management/communication, professional development, and internal control.These results serve as a reference for future director selections.

4. Annual continuing education courses are arranged based on the medical device industry's characteristics and the directors' expertise.[21]Additionally, senior managers attend board meetings as observers to familiarize themselves with operations and gain experience.

5. To ensure long-term stability, the company builds a director succession pipeline through the following resources:

   (1) Participation in Associations and Organizations

   The company has participated in multiple associations, including but not limited to:

   - Taiwan Medical and Biotech Industry Association
   - New Taipei Bio-Tech Alliance
   - Taiwan Excellence Brand Association
   - National Association of Small & Medium Enterprises, R.O.C.
   - The League for Welfare of the Elderly, R.O.C.

   These engagements not only expand the company's influence in relevant fields but also provide a broader pool of potential candidates for the Board of Directors.

   (2) Scientific Research Projects and Professionals

   The company is committed to participating in government scientific research projects, expert meetings, and international academic conferences to continuously accumulate operational knowledge in

medical devices, brand development, and clinical treatment. This not only helps the company maintain a competitive advantage in technology and innovation but also broadens the potential talent pool for directors.

(3) External Expert Consultants

The company currently employs external expert consultants covering various fields such as bidding, R&D, marketing, production, and business management. The participation of these external experts provides the company with high-level professional advice and serves as an important reference for potential director candidates.

(4) Director Talent Database

We will establish a company director talent database based on the resources obtained through the methods. This database will serve as the cornerstone of the Board's succession planning, providing the company with a diverse and high-quality board composition that meets future development needs.

(II) Succession Planning and Operation for Senior Management

The Human Resources Department coordinates the talent development mechanism, defining key positions and focusing training resources on candidates' strengths and development areas to strengthen management momentum.

1. Short, Medium, and Long-term Development Goals

- **Short-term: Cultivating Target Talent**

  (1) Focus on individuals with innovative and pioneering qualities to drive integration and transformation.

  (2) Priorities: Product marketing, innovative product development, and customer management.

  (3) Method: Selecting potential talent from sales and manufacturing for project-based tasks to gain practical experience and

management fundamentals.

- **Medium-term: Strengthening the Leadership Pipeline**

  (1) Formulate succession maps.

  (2) First-level executives review succession maps and conduct targeted training.

  (3) Identify high-potential third-level managers to accelerate the management capabilities of the second and third tiers.

- **Long-term: Organizational Rejuvenation**

  (1) Establish career development blueprints to enhance talent attraction.

  (2) Create learning paths and diverse talent development roadmaps.

2. Action Plans and Implementation

Measures	Content
Building Senior Management Consensus	In Jan 2023, the CHRO shared strategies on organizational change and leadership development with the GM and group executives. Starting March 2023, "Success Model" meetings were held to set competency standards. In Oct 2023, interviews with 9 first-level managers identified "Role Transition," "Team Building," and "Effective Communication" as top training priorities.
HR Action Plans	Starting Jan 2024, Individual Development Plans (IDP) were launched, including courses and mentoring. - **Manager Capability**: Courses to help managers guide subordinates' IDPs. - **Report Review**: Bi-annual reports to compare competency growth; those below standard receive individual counseling in 2025.

Measures	Content
	- **Senior Executive Mentors**: Directors and consultants share leadership experience and company culture. - **External Training**: Mid-to-senior managers attend TEBA's "Brand Management Strategy President Class" (e.g., participants in 2019 and 2023) to stay updated on management trends.