

2.1.2 Board Operation

Board of Directors Operation Performance

Board of Directors meeting is convened at least once every quarter. A total of 17 Board of Directors meetings were convened in 2024, with an average attendance of 93% for personal attendance by directors.

KGIF's "Board of Directors Performance Self-evaluation Questionnaire" and "Board of Directors Member Self-evaluation Questionnaire" include the level of activeness of directors attending the Board of Directors meeting in the assessment of performance (less than 70%-1/needs improvement; 70%-2/acceptable; 80%-3/fair; 85%-4/good; 90%-5/excellent). The director remuneration will be affected if the actual attendance rate fails to meet the standard rate, and therefore the actual attendance rate by directors has reached at least 80%. The operation and functioning of the Board of Directors are carried out in accordance with legal requirements and are disclosed in [the Company's Shareholders' Meeting Annual Report](#) (Section 2: Corporate Governance Report / Section 3: Corporate Governance Operations / (1) Board of Directors Operations).

Functional Committee Operations

To enhance the quality of board decision-making, strengthen corporate governance, and improve the functions of the Board of Directors, the KGIF has established seven Functional Committees under the Board of Directors. These committees include the Audit Committee, Compensation Committee, Sustainability Committee, Risk Management Committee, Ethical Corporate Management Committee, Nomination and Performance Evaluation Committee, and Business Development, Investment and Major Capital Expenditure Committee. The Board of Directors aims to use these fully equipped Functional Committees to assist in the deliberation of important agenda items related to the economy, environment, society, risk, ethical corporate management, business development strategies, significant equity investments, capital expenditures, and expense-related projects.

2024 Operations

Committee	Composition Requirements	Independent Director Ratio (%)	Primary Responsibilities ^{note}	No. of Meetings Held	Average Attendance Rate (%)
Audit Committee	Composed entirely of independent directors, with no fewer than three members.	100	<ul style="list-style-type: none"> Establish or amend internal control systems and assess their effectiveness. Review capital raising, issuance, or private placement of equity-type securities, and significant asset or derivatives transactions. Appoint or dismiss, and determine the remuneration of, certified public accountants as well as heads of finance, accounting, or internal audit. Review of financial reports, business reports, distribution of earnings, or allocation of losses. Review matters involving the interests of the directors. Review merger and acquisition proposals. 	12	100
Remuneration Committee	Appointed by resolution of the Board of Directors, with no fewer than three members; a majority must be independent directors.	100	<ul style="list-style-type: none"> Establishing and periodically reviewing the policy, system, standards, and structure of the performance evaluation and remuneration of Board Directors and the managers. Periodically assessing and setting the remuneration contents and structure of directors and managers. 	10	100
Sustainability Committee	Appointed by resolution of the Board of Directors, with no fewer than three members, and including at least one director.	60	<ul style="list-style-type: none"> Formulation and execution of the annual sustainability development plan, strategies, projects, and activity plans, as well as tracking and reviewing their effectiveness. Supervise sustainability information disclosure and review the ESG report. 	1	100
Risk Management Committee	At least three directors shall be appointed by the Board of Directors, with more than half of them being independent directors.	60	<ul style="list-style-type: none"> Supervise the establishment of the Company's risk management system framework and oversee the execution of overall risk management. Regularly review risk management reports for the Company and its subsidiaries. Provide regular reports to the Board of Directors on the risk management execution status of the Company and its subsidiaries, along with improvement recommendations. 	4	100
Ethical Corporate Management Committee	The committee shall consist of five to seven members, nominated by the Chairman and appointed by the Board of Directors. At least half of the members must be independent directors of the Company or its subsidiaries.	75	<ul style="list-style-type: none"> Establish measures to prevent fraudulent activities related to ethical corporate management, as well as operational procedures and conduct guidelines. Supervise business activities with higher risks of unethical behavior within the Company, regularly analyze risks of unethical conduct, and assess the effectiveness of related preventive measures. Promote and coordinate integrity policy training and awareness programs. Ensure the effectiveness of the whistleblower system. Provide annual reports to the Board of Directors on the implementation of ethical corporate management. 	5	100
Nomination and Performance Evaluation Committee	Composed of three to five directors appointed by the Board of Directors, with no less than one-third being independent directors.	40	<ul style="list-style-type: none"> Nominate directors of the Company. Review and nominate candidates for directors and supervisors of subsidiaries, and review and recommend candidates for Chairman, Vice Chairman, and President of subsidiaries. Review the nominated candidates for the Company's President and senior executives. Re-audit the annual performance of the Chairman, Vice Chairman, and President of the Company and subsidiaries, as well as the Company's senior executives. Audit the succession plan for President and departmental heads 	5	93
Business Development, Investment and Major Capital Expenditure Committee	Composed of three to five directors appointed by the Board of Directors, with no less than one-third being independent directors.	60	<ul style="list-style-type: none"> Review and periodically assess business objectives and medium- to long-term development strategies. Review matters with significant impact on shareholders' rights and interests. Review major equity investments, capital expenditures, and expense-related projects. 	8	93