

LITE-ON Technology Corporation

Executive Succession Plan

The selection and training of successors is vital to the sustainable development of an enterprise. The purpose of the executive succession plan is to assure the corporate development link to the changes of operation environment, as well as the availability of the reserve capacity of the leaders and the management to provide human resources for the sustainable development of the organization. The executive succession plan of LITEON requires all members of the succession team (candidates) to be people of excellence in execution, and their values and personality traits must also match the expectation of the company including integrity, innovation, and the ability to earn customer satisfaction. High potential employees will be subject to rotation among different types of business, geographic regions, and functional organizations to examine their level of open-mindedness, learning capability, empathy, and performance excellence. Multilateral arrangement will also be made in different aspects of corporate management for the training of the prospective successors:

(1) Executive development plan:

The curriculum for the development of executive managers (including executive managers of operation discipline) of all business units and functional units is designed through learning by doing with purpose in a systematic and organized manner in order to upgrade vision of the leaders through practical work to develop a team of leaders that could lead the emerging business. The training consists of 4 modules: leadership development, strategic innovation, organization structural transformation, and cultural value shaping. Through learning by doing, the team consisting of members across different business units and functions could develop companionship with peers of similar age or job grade, which in turn will consolidate into a leading team to take on challenges in the future. They could also establish the

management language attuning to the changes in the environment over time, refine the organizational culture, and cultivate the foundation for sustainable development.

(2) Executive succession plan:

Prospective candidates for leadership positions must be able to demonstrate their strategic mindset and professional capability in the function performed in their assigned duties, demonstrate responsible leadership and management capability, with outstanding results from operation and outperformed their competitors in business performance. They will meet with the top management of the company to share and exchange opinions regarding the setting of the annual objectives, three-year strategy, organizational and human resources development strategy, and also review year after year operation performance on a monthly and quarterly basis with proper action taken for improvement. Each member of the succession team will be tailored with an individual development program (IDP) on the basis of their individual competence and occupation needs to provide a diversified mode of training. They will engage in one-to-one meetings with the top leader at regular intervals to learn under coaching. This mode of training helps to guide the executive managers of the leading team to seek self-breakthrough and motivate them to set the objective of excellence. Furthermore, the executive leading team will also sort out their potential successors for relevant key positions. Good quality executive managers may also be recruited from outside to engage in agitating with the original management team for creativity to augment the reserve capacity of the successors.

The company seeks to broaden the management horizon of the succession team by introducing international training so that they could be ready to bear greater burden in corporate management thereby set out a list of key vacancies on the basis of the functional units of the corporate headquarters, business units, and overseas locations and assigns the candidates to different positions through job rotation to develop their multilateral view of corporate management. This will help

them to adapt to the ceaseless changes and competitions in the operation environment. Through the series of training, these candidates could fortify themselves with leadership skills in corporate management, upgrade the strategic mindsets and executive capability, and eventually make the company the best business entity in the industry.

To execute the executive succession plan, the board of management have jointly agreed to appoint Mr. Tom Soong as the new Chairman, and also appoint Mr. Anson Chiu as the new General Manager. To lead our organization into the next level to become an international leader.