PharmaEngine, Inc.

Succession Planning for Key Management Personnel

1. Objective of Succession Planning for Key Management Personnel

PharmaEngine, Inc. was established in 2002. It adopts the approach of international strategic alliance for new drug development, initially NRDO model and currently Virtual Pharmaceutical Company Business Model. The Company evaluates and develops new drugs through licensed introduction, which ranges from preclinical trials to human clinical trials. As a result, since its establishment, the Company has mostly maintained a workforce of around 36 employees. However, as the key management personnel have been aging over the years, succession planning schedules have been developed for important positions and talented individuals.

2. Desired Characteristics of Key Management Personnel Successors

In addition to superior capabilities, the PharmaEngine's succession planning for key management personnel requires the successors to align personal values with the Company's core values including sense of urgency, critical thinking, diversity, continuous learning and growth, teamwork, and work and life balance.

3. Succession Planning for Key Management Personnel and Implementation

A. Management Training Mechanisms

To cultivate key management personnel and their substitutes, the Company's Human Resources Department takes charge of coordinating, planning, and organizing internal and external training programs on an irregular basis. These training programs aim to develop not only professional skills but also to continuously cultivate the leadership mentality and skills such as motivate employee potential, application of new technology, and cross-departmental communication. The goal is to enhance the decision-making quality of the management level and prepare high-quality human resources for the long-term development of the Company. Based on the strengths and potential of individuals in relevant positions, training and development efforts are focused by allocating resources accordingly. By aligning with the Company and departmental objectives, the training programs aim to strengthen the existing competencies, improve succession readiness, and enhance the capabilities required for future roles.

B. Deputy System and External Candidate Recommendation

The Company has established a talent development mechanism, which is coordinated by the Human Resources Department to ensure succession planning. For key positions, there are designated substitutes. However, for the long-term sustainability of the Company, in addition to internal training, the Company also recruits outstanding senior managerial officers externally. On November 16, 2020,

and April 19, 2021, the Board of Directors passed resolutions regarding the transition of leadership positions that Dr. Hu, Yu-Fang handing over the position of President to Dr. Wang, Hong-Ren, and Mr. Chang, Chi-Hsing handing over the position of Finance and Accounting Director to Ms. Tsao, Yu-Hsuan.