

External Performance evaluation mechanism and results of the Board of Directors

The company's " Rules for Performance Evaluation of Board of Directors " stipulates that the external board of directors' performance evaluation shall be conducted at least once every three years by an external professional independent institution or a team of external experts and scholars.

Evaluation unit : In July 2023, the company engaged the Taiwan Corporate Governance Association to perform external board effectiveness evaluation. This institution and implementation experts have no business dealings with the company and are independent.

Evaluation period : From August 1, 2022 to July 31, 2023

Methods of evaluations and criteria : Assessments were conducted through questionnaires and on-site visits in 8 major aspects including the composition of the board of directors, guidance, authorization, supervision, communication, internal control and risk management, self-discipline and others.

Evaluation procedures : The company completed the questionnaire of self-evaluation and written review on July 2023. The association's evaluation team went to the company for an on-site visit at the end of August and issued a board of directors effectiveness evaluation report on September 2023. The evaluation results were submitted to Board of Directors Report on November 13, 2023.

The general comments and suggestions are as follows:

A. The general comments

1. The company continues to strengthen corporate governance, and its corporate governance evaluation ranking among listed companies has continued to promote. As of the 9th corporate governance evaluation in 2022, it has ranked among the top 5% of listed companies. This year, an independent professional institution was further commissioned to conduct an external evaluation of the board of directors, which showed that the company's board of directors has a proactive attitude towards implementing the corporate governance system and improving the effectiveness of the board of directors.

2. The company attaches great importance to the diversity of the composition of the board of directors, including factors such as gender and professionalism. In addition to considering corporate governance requirements, the selection of board members also seeks suitable candidates based on the company's development strategies. The board of directors consists of 8 directors, including 2 female directors, which is better than the current situation of gender equality in the composition of board members of most Taiwan listed companies and deserves recognition. The members of the board of directors have diverse industrial experience and complementary capabilities across industries, which are conform to the company's business growth needs.

3. The chairman of the company respects the expertise and industry experience of the board members and accepts their opinions. The atmosphere of the board meeting is good and all board proposals are fully discussed. Major proposals related to the company's development are also consulted with the directors before the meeting, which improves the efficiency of decision-making. It also helps to form a board meeting culture of brainstorm ideas.

4. The company's independent directors are all outstanding figures in the industry. The four independent directors are all courageous in their duties, actively participate in and contribute to the operation of the board of directors. In addition to performing supervisory functions on the board of directors and the Audit Committee and Remuneration Committee, a Nomination Committee was set up in 2022. The board of directors and various functional committees actively participate in project discussions related to company strategies, and provide guidance on corporate governance and business strategies to give full support.

B. Suggestions and future improvement plans

No.	Suggestions	The company improvement plan
1	<p>It is recommended that the company's senior managers can report the company's business-related information and industry overview to newly appointed directors, and provide the directors with legal promotion materials that they need to know to perform their duties, as well as director training information, so as to help them understand the company's various business and industry information as soon as possible.</p> <p>It is recommended to consider the overall development of a "pre-employment training system for newly appointed directors", with dedicated reports and explanations, written regulations, on-site visits, and arranging necessary courses, so that first-time directors can engage in board operations more efficiently and perform their functions smoothly. and enhance the synergy of the board of directors.</p>	<p>The company has arranged various legal promotions and education training for new directors, and the director of the board of directors' business unit will introduce the company's history, organization, and various businesses to the directors. According to the recommendations, a training system will be established to help newly appointed directors familiarize themselves with the company's various businesses, industrial information and compliance with laws as early as possible.</p>
2	<p>Your company has not yet formulated "Reporting procedure of Material Contingencies". It is recommended that your company develop a clear reporting system for incidental major information. The content must include the type of information that should be reported, the reporting period, the reporting method and level, etc., to ensure that all board members can quickly and fully grasp the company's important information, supervise the handling of major events in real time, and fulfill the board of directors' responsibility to guide and monitor the company's operations.</p>	<p>The company has established reporting procedures and response plans for major events, and will revise the reporting levels as recommended in the future so that all board members can be informed of important information in a timely manner.</p>