

Rules for Self or Peer Performance Evaluation of Board of Directors

Enacted and resolved by the Board of Directors on March 25, 2020

Article I Purpose and Basis

To implement corporate governance and enhance the Company's Board functions, and to set forth performance objectives to improve the operation efficiency of the Board of Directors, these rules are established pursuant to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

The Company shall establish regulations governing the Board performance evaluation with reference to these Rules and other applicable rules and may create different evaluation methods appropriate to individual units subject to evaluation.

Article II Rules to Comply with

The general evaluation cycles, evaluation periods, scope and method of evaluation, the unit conducting evaluations, evaluation procedures, and other matters for compliance under the Company's regulations governing the Board performance evaluation shall be subject to these Rules.

Article III Evaluation Cycles and Periods

The Company's Board of Directors shall conduct an internal Board performance evaluation every year according to the evaluation procedures and the evaluation indexes in Articles 6 and 8.

The Company's Board Performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.

Internal and external board performance evaluations shall be completed before the end of the first quarter of the following year.

Article IV Evaluation Scope and Method

The Company's Board evaluation scope covers the performance evaluation of the Board as a whole, individual directors, the Audit Committee and the Remuneration Committee.

Methods of evaluations include the internal evaluation of the Board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Article V Responsible Unit for Conducting Evaluation

The unit conducting internal evaluations of the Company's Board of Directors shall have an adequate understanding of the operation of the unit subject to evaluation and shall play a fair, impartial and independent role.

Article VI Evaluation Procedures

The procedures for the Company's Board performance evaluation are as follows:

- I. Determine the units to be subject to evaluation, the period and the scope of evaluation in the current year.
- II. Determine the method of evaluation (such as internal evaluation of the Board, self-evaluation by the board members of themselves or peers, peer evaluation, and evaluation by an appointed external professional institution and experts).
- III. Select the units appropriate to conduct the evaluations.
- IV. The units performing evaluations will collect information about the activities of the board of directors and distribute self-evaluation questionnaires such as the "Questionnaire of Self-Performance Evaluation of the Board," the "Questionnaire of Self-Performance Evaluation of Board Members," the "Questionnaire of Self-Performance Evaluation of the Audit Committee," and the "Questionnaire of Self-Performance Evaluation of the Remuneration Committee" to be completed. The unit responsible for evaluation will then collect all information, give scores based on the evaluation indexes in Article 8, record the evaluation results in a report, and submit the report to the board of directors for discussion and improvement.

Article VII External Professional Institution, Panel of Experts

When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of Board performance, the Company shall comply with the following guidelines:

- I. The external evaluation institution or panel of external experts and scholars shall be professional and independent.
- II. The external evaluation institution shall be an institution or management consulting firm mainly engaging in the provision of services for educational and training programs for Board of Directors and improvement of corporate governance of enterprises.
- III. The panel of external experts and scholars shall appoint experts and scholars specializing in the fields of Board of Directors or corporate governance to conduct evaluations of board performance of the company and prepare external evaluation analysis reports.

Article VIII Evaluation Index and Criteria

The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the Board of Directors, which should cover, at a minimum, the following five aspects:

- I. The degree of participation in the company's operations.
- II. Improvement in the quality of decision making by the Board of Directors.
- III. The composition and structure of the Board of Directors.
- IV. Election and Continuous Education of Board Members
- V. Internal Controls.

The criteria for evaluating the performance of the Board members (on themselves or peers), should cover, at a minimum, the following six aspects:

- I. Their grasp of the company's goals and missions.
- II. Their recognition of director's duties.
- III. The degree of participation in the company's operations.
- IV. Their management of internal relationships and communication.

- V. Their professionalism and continuing professional education.
- VI. Internal Controls.

The criteria for evaluating the performance of the Audit Committees should cover, at a minimum, the following five aspects:

- I. The degree of participation in the company's operations.
- II. Duty awareness of the members of the Audit Committee.
- III. Improvement of decision-making quality of the Audit Committee.
- IV. Composition and election of the members of the Audit Committee.
- V. Internal Controls.

The criteria for evaluating the performance of the Remuneration Committees should cover, at a minimum, the following four aspects:

- I. The degree of participation in the company's operations.
- II. Duty awareness of the members of the Remuneration Committee.
- III. Improvement of decision-making quality of the Remuneration Committee.
- IV. Composition and election of the members of the Remuneration Committee.

The indexes of Board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the Company, subject to regular reviews and constructive comments of the Remuneration Committee.

Scoring criteria may be modified and adjusted based on the company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.

Article IX Application of Evaluation Results

When electing or nominating members of the Board of Directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance.

Article X Disclosure of Annual Report Information

The Company shall disclose in its annual report how the Board performance evaluation has been conducted each year, including information covering at least evaluation cycle, evaluation period, scope of evaluation, evaluation method, and what is to be evaluated

In cases where an external institution or experts are appointed to conduct evaluations of board performance, the Company shall, in the annual report, disclose the external evaluation institution, names of the experts and their team members, and their expertise and business transaction relationships with the external evaluation institution or experts and the statement of independence by the external evaluation institution or experts shall also be described.

Article XI Disclosure Methods

The performance evaluation regulations established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times, to be made available for consultation.

Article XII Effectiveness

The Company's regulations shall take effect after having been discussed and approved by the Board of Directors. Subsequent amendments thereto shall take effect in the same manner.