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Document Name	Board Performance Evaluation Method	Version	B

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Revise History				
Version	Owner	Review	Release Date	Release Explain
A	Huang Anbang	Huang Anbang	161223	Implement corporate governance and enhance the functions of the board of directors, establish performance targets to enhance the efficiency of the board's operations
B	Zhao Yanling	Chang, Sheng-Shih	200803	In accordance with the revised "Reference Model for Board Performance Evaluation Methods" issued by the OTC Markets Announcement No. 10900582661 on June 12, 2020, some provisions have been revised.



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1. Purpose :

To implement corporate governance and enhance the functions of the Board of Directors of this Company, and to establish performance goals to strengthen the Board's operational efficiency, these Regulations are hereby promulgated in accordance with Article 37 of the Code of Corporate Governance Practices for Listed and OTC Companies. This Company shall refer to the relevant provisions of these Regulations when conducting performance evaluations of the Board of Directors and may establish appropriate evaluation methods for different entities being evaluated.

2. Scope :

- 2.1. The scope of the Company's Board of Directors' evaluation includes the performance evaluation of the entire Board, individual Directors, and functional committees.
- 2.2. Evaluation methods include internal self-evaluation by the Board, self-evaluation by Directors, peer evaluation, commissioning of external professional organizations or experts, or other appropriate methods.

3. Rights and Responsibilities :

- 3.1. The entity conducting the internal board performance evaluation should have a clear understanding of the operations of the entity being evaluated and be fair, objective, and independent.
- 3.2. Because the operational conditions of functional committees vary slightly, the evaluations may be conducted by different entities, depending on the company's organizational structure. Such entities should be fair, objective, and have no direct vested interest in the operations of the entity being evaluated. If the company has a corporate governance committee or nominating committee composed of independent directors, these committees should be the entity conducting the evaluations, with the corporate governance unit providing assistance in conducting the evaluations. °

4. Definition :



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- 4.1. The bylaws of each functional committee shall include provisions for conducting internal committee performance evaluations at least annually.
- 4.2. Evaluation Cycle and Period
- 4.2.1. The Company's Board of Directors shall conduct an internal performance evaluation of the Board at least annually. The internal evaluation period shall be conducted at the end of each fiscal year in accordance with the evaluation procedures and indicators in Sections 5.1 and 5.3.
- 4.2.2. The Company's Board of Directors' performance evaluation shall be conducted at least once every three years by an external, professional independent organization or team of external experts and scholars, with the annual performance evaluation conducted at the end of each fiscal year.
- 4.2.3. The results of the internal and external performance evaluations of the Board of Directors shall be finalized by the end of the first quarter of the following fiscal year.

5. Assignment Details :

- 5.1. Evaluation Procedure
- 5.1.1. Determine the units, period, and scope of the annual evaluation (e.g., the entire Board, individual Board members, functional committees, etc.).
- 5.1.2. Determine the evaluation method (e.g., internal Board self-evaluation, Board member (self-evaluation or peer evaluation), functional committee self-evaluation, external professional organization, expert evaluation, etc.).
- 5.1.3. Select appropriate evaluation execution units.
- 5.1.4. At the end of each year, each execution unit will collect information related to Board activities and distribute self-evaluation questionnaires, including the "Board Performance Evaluation Self-Evaluation Questionnaire," the "Board Member Performance Evaluation Self-Evaluation Questionnaire," and the



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"Functional Committee Performance Evaluation Self-Evaluation Questionnaire." The Corporate Governance Unit will coordinate and collect the data, formulate scores based on the evaluation indicators in 5.3, record the evaluation results, and submit a report to the Board for review and improvement.

5.2. External Professional Institutions and Experts

5.2.1. The Company's external evaluation institution or team of external experts and scholars to conduct the Board of Directors' performance evaluation shall adhere to the following principles :

5.2.1.1. The external evaluation institution or team of external experts and scholars shall be professional and independent.

5.2.1.2. External evaluation institutions shall primarily be organizations or management consulting firms that provide services related to Board-related education and training programs and corporate governance enhancement.

5.2.1.3. The external team of experts and scholars shall comprise at least three experts or scholars in the field of board of directors or corporate governance to evaluate the Company's Board of Directors' performance evaluation and prepare an external evaluation analysis report.

5.2.1.4. The Chairman shall be authorized to approve matters such as the selection of the outsourced evaluation institution and experts, the timeline for implementation, and the evaluation method.

5.3. Evaluation Indicators and Scoring Criteria

5.3.1. The Company shall, taking into account the Company's circumstances and needs, establish metrics for evaluating the performance of the Board of Directors, which shall include at least the following five aspects :

5.3.1.1. Level of participation in the Company's operations.

5.3.1.2. Improving the quality of the Board's decision-making.

5.3.1.3. Board composition and structure.

5.3.1.4. Director selection and continuing development.



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5.3.1.5. Internal control.

5.3.2. Metrics for the performance evaluation of Directors (self-evaluation or peer-evaluation) shall include at least the following six aspects :

5.3.2.1. Understanding of the Company's goals and objectives.

5.3.2.2. Awareness of Directors' responsibilities.

5.3.2.3. Level of participation in the Company's operations.

5.3.2.4. Internal relationship management and communication.

5.3.2.5. Professional and Continuing Education of Directors.

5.3.2.6. Internal Control.

5.3.3. Functional Committee performance evaluation metrics shall include at least the following five aspects :

5.3.3.1. Level of Participation in Company Operations.

5.3.3.2. Awareness of Functional Committee Responsibilities.

5.3.3.3. Improving the Decision-Making Quality of Functional Committees.

5.3.3.4. Composition and Selection of Functional Committee Members.

5.3.3.5. Internal Control.

5.3.4. Indicators for the Board's performance evaluation shall be established based on the Company's operations and needs, consistent with and appropriate for the Company's performance evaluations, and shall be regularly reviewed and recommended by the Remuneration Committee.

5.3.5. The scoring criteria may be revised and adjusted based on the Company's needs, and may also be weighted based on the weighting of each metric. °

5.4. The Company's Board of Directors' performance evaluation results shall serve as a basis for selecting or nominating directors, and the performance evaluation results of individual directors shall serve as a basis



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for determining their individual remuneration.

5.5. Annual Report Information Disclosure

5.5.1. The Company shall disclose in its annual report the implementation of the Board of Directors' performance evaluation each year, including at least the evaluation cycle, evaluation period, evaluation scope, evaluation method, and evaluation content.

5.5.2. If the Company utilizes an external organization or expert to conduct the Board of Directors' performance evaluation, it shall disclose in its annual report the external evaluation organization, the expert, their team members, and their professional descriptions, as well as the external evaluation organization's or expert's statement of independence, and explain the evaluation method, standards, and recommendations for future improvements.

5.6. Disclosure Method: The Company's established performance evaluation procedures shall be fully disclosed on the Public Information Observatory and the Company's website for easy access.

5.7. These procedures shall take effect upon discussion and approval by the Board of Directors, and shall apply to any amendments.

6. Reference Documents : None

7. Related Forms :

7.1. Board Performance Evaluation Self-Assessment Questionnaire

7.2. Board Member Performance Evaluation Self-Assessment Questionnaire



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7.3. Functional Committee Performance Evaluation Self-Assessment Questionnaire

8. Attachments: None