

Regulation for Board of Directors Performance Assessments

Document No.	KKCIF07	Issuing Date	2023/8/18	Current Rev.	1
Issued & Management Dept.	Human Resource Div.				

Article Amendment			
Re v	Pages	Description	Approved Date
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Regulation for Board of Directors Performance Assessments

Article 1 (Purpose and Basis)

In order to implement corporate governance and enhance the functions of the Company's Board of Directors, and to establish performance targets to strengthen the operational efficiency of the Board of Directors, in compliance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company hereby establishes the Regulations to be followed.

The Company shall establish a board of directors' performance evaluation methodology with reference to the present regulation and related regulations, and shall also establish appropriate evaluation methods for different units to be evaluated.

Article 2 (Scope)

The scope of our board performance evaluation includes the entire board of directors, individual board members, and functional committees.

Article 3 (Evaluation Cycle and Period)

The Company shall conduct performance evaluation of the Board of Directors at least once a year and shall have the evaluation performed by an external professional independent organization or a team of external experts and scholars at least once every three years.

The evaluation period for the performance evaluation shall be from January 1 to December 31 of each year. The results of the performance evaluation shall be completed by the end of the first quarter of the following year and reported to the authority in accordance with regulations.

Article 4 (Evaluation Method)

The methods of evaluation include self-assessment by board members, peer evaluation, appointment of external professional organizations, experts, or other appropriate means of performance evaluation.

Article 5 (The Organization Unit that Will Be Responsible for Conducting the Evaluation)

The organizational unit responsible for evaluating the performance of the board of directors within the Company should have a clear understanding of the operation of the board of directors and have a fair, objective, and independent role.

The organizational unit responsible for the evaluation of functional committees may be reassigned to a different unit in charge of the evaluation due to the differences in the operation of the functional committees, and the unit in charge shall be fair and objective and shall be composed of persons or units that do not have a direct interest in the operation of the unit being evaluated.

Article 6 (Evaluation Procedures)

The Company's board of directors' performance evaluation procedures are described below:

1. Prior to the implementation of the evaluation, the executive unit shall determine the target scope and period to be evaluated, the evaluation method, the evaluation indicators, and the operational procedures and explain them to the Board of Directors.
2. When the evaluation is conducted by external parties, the selection of the external

evaluation institution or the team of experts and scholars shall be verified by the Board of Directors.

3. Upon completion of the evaluation, the results of the evaluation shall be reported to the Board of Directors.

Article 7 (External Professional Institutions or Experts)

The Company's selection of outside institutions or teams of experts and scholars to conduct the Board's performance evaluation shall comply with the following requirements:

- 1、 The external evaluation institution or the team of external experts and scholars should be professional and independent.
- 2、 External evaluation agencies are institutions or consulting firms that provide services such as hosting board-related training courses and providing services to enhance corporate governance of companies.
- 3、 A team of external experts and scholars should appoint at least three specialists in the field of Board meetings or corporate governance to evaluate the performance of the Company's Board of Directors and to prepare an external evaluation report.

Article 8 (Evaluation Indicators and Scoring Criteria)

The evaluation indicators of the Board of Directors (including functional committees) should include at least the following five dimensions:

- 1、 Participation in the operation of the company.
- 2、 Enhancement of the quality of the board's decision-making.
- 3、 Composition and structure of the board of directors.
- 4、 Election of directors and continuing training.
- 5、 Internal control.

The evaluation indicators for individual board members should include at least the following six dimensions:

- 1、 Understanding of the company's objectives and missions.
- 2、 Recognition of the duties and responsibilities of directors.
- 3、 The degree of participation in the Company's operations.
- 4、 Internal relationship management and communication.
- 5、 The professionalism and continuing learning of the directors.
- 6、 Internal control.

Indicators for evaluating the performance of the Board of Directors shall be based on the operations and needs of the Company and shall be reviewed and recommended by the Compensation Committee on a regular basis.

Article 9 (Application of Evaluation Results)

The results of the performance evaluation of the Company's Board of Directors shall be used as a reference for the selection or nomination of directors; and the results of the performance evaluation of individual directors shall be used as a reference for the determination of their individual remuneration.

Article 10 (Disclosure of Information in Annual Reports)

The implementation details of the performance evaluation of the Board of Directors should be disclosed in the annual report. If the board of directors' performance evaluation is conducted by external parties, the professional qualifications and statement of independence of the external evaluating institutions or experts should be disclosed in the

annual report, together with an explanation of the evaluation method, criteria, and suggestions for future improvement.

Article 11 (Method of Disclosure)

The performance evaluation procedures established by the Company shall be fully disclosed in the Market Observation Post System and on the Company's website for all inquiries.

Article 12 (Implementation)

This Regulation is implemented after the resolution by the Board of Directors; the same is true for any amendment and repeal.