

Board External Evaluation Performance Report of 2021

The company has appointed Taiwan Corporate Governance Association to perform external performance evaluation of board of directors. The evaluation period is from July 1, 2020 to June 30, 2021. The external evaluation focuses on eight aspects which included the board of directors' composition, guidance, authorization, supervision, communication, internal control and risk management, self-discipline and others via questionnaires and on-site visits, and the evaluation report was issued on September 17, 2021. The company intends to use the improvement recommendations as a reference for continuing to strengthen the functions of the board of directors, and the recommendations and expected measures was reported to the board of directors on November 10, 2021.

1. General comments of the evaluation report:

- (1)The company has appointed an external professional independent organization to conduct board performance evaluation for three consecutive years. It is expected that through the objective review of external units and continuous improvement with rolling amendments, and fully demonstrates the company's positive willingness to continuously improve the effectiveness of the board of directors.
- (2)In accordance with actual operating needs, the company proactively set up a corporate social responsibility management committee earlier than the laws and regulations, with independent directors serving as the convener, and defining 2021 as the first year of ESG, focusing on environmental sustainability issues such as carbon neutrality, circular economy, energy conservation which are set as the direction of future efforts, and continuously develops technological innovations of green product research and development and low pollution that conform to the concept of environmental protection and sustainability.
- (3)The board of directors attaches great importance to the cultivation of talents. In addition to some external recruitment of high-level managers, the company also actively train mid-level and high-level managers through multiple channels such as project learning, agent

system, overseas rotation, and encouragement to take EMBA courses. Reserve talents for the company's sustainable development.

(4)The "Risk Management Policies and Procedures" was approved by the board of directors, and the company set up a risk management team to implement risk control such as operations, strategy, finance, information security and climate change. The implementation status will be reported to the audit committee and the board of directors so that the board of directors can improve efficiently supervise the company's risk control.

2. Improvement suggestions and future improvement plans:

Item	Suggestion	Expected measure
1	It is recommended that the composition of the next board of directors should not only be based on the needs of the company's operation and development, but also from the perspectives of increasing the number of female directors and reducing the proportion of internal directors, as the basis for future selection of board members.	A clear director diversification goal has been set and disclosed in the 2020 annual report and the company's website. It is expected that a female director will be selected for the next director re-election at year 2023.
2	It is recommended that the company establish a training system for new directors to help new directors quickly grasp the company's current status and industry information, so as to facilitate the performance of directors' functions.	On December 22, 2021, the board of directors approved the "New director's orientation".
3	It is recommended that the company set up a reporting channel that can be simultaneously received by independent directors (or audit committee) to further strengthen the whistleblower mechanism.	On December 22, 2021, the board of directors approved the amendment to the "Regulations Governing Whistle-blowing from Internal and External

Item	Suggestion	Expected measure
		Parties " .
4	It is recommended that "Procedures for Performance Evaluation of the Board of Directors" to separate from "Procedures for Performance Evaluation of the Managers"	It is expected to submit to the board of directors on March 24, 2022 for amendment.