

# Board External Evaluation Performance Report of 2022

The company has appointed Taiwan Corporate Governance Association to perform external performance evaluation of board of directors. The evaluation period is from August 1, 2021 to July 31, 2022. 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 20, 2022. 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 9, 2022.

## 1. General comments of the evaluation report:

- (1) The chairman and CEO of the company are both professional managers who focus on their own business and have a clear division of powers and responsibilities. The chairman leads the board of directors to formulate the company's medium and long-term development strategy, and makes appropriate decisions for the various proposals of the board of directors. The CEO formulates business plans and budget targets in accordance with the resolutions of the board of directors, and regularly reports to the board of directors to implement strategies and achieve goals.
- (2) The chairman of the company respects the diverse professions of the directors, and all board of directors proposals can be fully discussed before the meeting. The management team actively consults independent directors on important strategies related to the company's development, improves the efficiency of proposal decision-making, and forms a good board meeting culture.
- (3) The company attaches great importance to the implementation of corporate governance and ESG. According to operational needs, it proactively set up a corporate social responsibility management committee earlier than the laws and regulations. (Renamed as Corporate Sustainability Development Promotion Committee in May 11) With the independent director as the convener, the

carbon footprint inspection of Scope 3 has been carried out in various factories of the group, and it is expected to complete the verification of the reasonable assurance level of the SGS carbon footprint verification statement in each factory area before 2026. At the same time, the implementation progress will be reported to the board of directors quarterly, and the greenhouse gas inventory will be continuously controlled to verify the completion of the disclosure schedule. Fully demonstrate the company's implementation of the sustainable management concept and the goal of fulfilling ESG to create value sharing.

2. Improvement suggestions and future improvement plans:

Item	Suggestion	Expected measure
1	It is recommended that the company refer to the "Audit Quality Indicator (AQI) Disclosure Framework and Template" issued by the competent authority. The suitability of the accountants is regularly evaluated every year, and the timeliness of the audit report, the time invested by the certified accountants, and the team's professional consulting and communication skills are included in the evaluation indicators, which serve as a reference for the audit committee and the board of directors for the appointment of accountants and the deliberation of public funds. Strengthen the supervisory relationship between the board of directors and the audit committee to accountants.	According to the second-stage schedule for promoting the adoption of AQI by domestic enterprises issued by the Financial Supervisory Commission, the company intends to obtain AQI information from certified accountants every year starting from 2023, which will be used as a reference for assessing the suitability of accountants and for subsequent consideration of the appointment or reappointment of certified accountants.
2	The company has not yet established a notification procedure for major incidents. It is recommended that the company	In line with the revision schedule of the company's internal control measures, it is

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	<p>establish a clear notification system for incidental material information, including the types of information that should be notified, the period of notification, the method and level of notification, etc., to ensure that all board members can be informed in a timely manner. And fully grasp the important situation of the company.</p>	<p>planned to add a notification procedure for major incidents in 2023.</p>
3	<p>The company has established the "Regulations Governing Whistleblowing from Internal and External Parties", which has an e-mail box received by the audit supervisor and forwarded to the independent directors simultaneously. It is suggested that the company can further strengthen the existing whistleblower mechanism, so that the whistleblower mailbox can be simultaneously received by the audit supervisor and independent directors without forwarding, so as to ensure the transparent, fair and effective operation of the whistleblower mechanism.</p>	<p>In line with the revision of the company's internal control measures and the schedule for director re-election, the independent directors' email addresses will be simultaneously disclosed on the company's website in 2023 to further strengthen the whistleblower mechanism.</p>