

Methods to Evaluate Performance of the Board of Directors

Article Purpose and Basis of Establishment

These Methods are established in accordance with the Corporate Governance Best Practice Principles for TSE-Listed Companies in order to put corporate governance into practice upgrade the functions of the board of directors of the Company and establish performance targets to reinforce operating efficiency of the board of directors

Article 2 Company Policy Regulations

The assessment cycle assessment period assessment scope and manner assessment execution unit assessment procedure and other matters of company policy in relation to the performance assessment of the board of directors of the Company shall be governed by these Methods

The procedures for each function committee shall be included in the scope of internal committee performance assessment to be conducted at least once a year

Article Assessment Cycle and Period

The board of directors of the Company shall conduct internal board of directors performance assessment in accordance with the assessment procedure and assessment standards provided in these Methods every year

The performance of the board of directors of the Company shall be assessed by an external professional and independent institution or team of external experts and scholars at least once every year

The results of internal and external board of directors performance assessments shall be completed before the end of the first quarter of the following year

Article 4 Assessment Scope and Manner

The scope of assessment of the board of directors of the Company includes performance assessment of the overall board of directors individual directors and function committees

The manner of assessment shall include internal self-assessment by the board of directors self-assessment by members of the board of directors peer assessment assessment by external professional institutions and experts and other proper manners

Article Assessment Execution Unit

The execution unit for internal assessment of the performance of the board of directors of the Company shall have a clear understanding of the operating status of

the assessed unit and shall perform its objective and independent role.

The execution unit for the assessment of function committees shall be adjusted based on the departmental organization of the Company and the assessment shall be performed by different execution units due to the difference in the operating situation of each function committee. Such execution unit shall perform its objective and shall be a person or unit without any direct interest in the operation of the assessed unit. If the Company has a corporate governance committee or nomination committee composed of independent directors, it is advisable for such committee to be the execution unit of such assessment.

Article Assess ment Procedure

The assessment procedure for the performance of the board of directors of the Company is as follows:

1. Confirm the assessed unit, assessment period and scope for the current year, such as overall board of directors, individual board members, each function committee, etc.
2. Confirm the assessment manner, such as internal self-assessment by the board of directors, self-assessment, on-site assessment or peer assessment by board members, peer assessment, assessment by external professional institution or expert, etc.
3. Selection of proper assessment execution unit.
4. Each assessment unit collects information related to the activities of the board of directors and issues relevant self-assessment questionnaires to be completed. After information is collected by the consolidating execution unit or the secretariat of the board of directors, the report shall be prepared showing assessment results based on the scoring standards from assessment checklist under these Methods and submitted to the board of directors for review and improvement.

Article 7 External Professional Institution and Expert

The external assessment institution or the team of external experts and scholars arranged by the Company to perform board of directors performance assessment shall comply with the following:

1. External assessment institution or team of experts and scholars shall be professional and independent.
2. External assessment institutions shall be financial institutions or management consulting companies providing relevant services such as education, training, programs for board of directors and corporate governance improvement services. A team of external experts and scholars shall hire the best experts or scholars in the domain of board or corporate governance to assess the execution status of the

performance assessment of the board of directors of the Company and to prepare an external assessment analysis report

Article Assessment Benchmark and Scoring Standards

The Company shall establish board of directors performance assessment evaluation items in consideration of the Company's situation and needs, which shall include the following aspects:

Level of participation in the operation of the Company

2 Improvement of the quality of board decisions

Composition and structure of the board of directors

4 Selection and continued training of directors

Internal control

Evaluation items for self or peer performance assessment of the board members shall include the following aspects:

Understanding of the Company's objectives and missions

2 Awareness of directors' duties

Level of participation in the operations of the Company

4 Internal relationship operations and communications

Directors' professionalism and continued training

Internal control

Evaluation items for the performance assessment of function committees shall include the following aspects:

Level of participation in the operations of the Company

2 Awareness of the duties of function committees

Improvement of the quality of decisions by the function committees

4 Composition of function committees and selection of members

Internal control

Benchmarks of board of directors performance assessment shall be consistent with the operations and needs of the Company and shall fit its contents for the Company's execution of performance assessment. Such benchmarks shall be reviewed and suggestions shall be proposed regularly.

Scoring standards shall be adjusted and amended in accordance with the Company's needs. Scoring shall be weighted based on various evaluation aspects.

Article Utilization of Assessment Results

The results of the performance assessment on the board of directors of the Company shall be used as reference for selection or nomination of directors. The board performance assessment results shall also be used as reference in the determination of

Salary remuneration

Article 10 Annual Report Information Disclosure

It is provided for the Company to disclose in its annual report whether it has established board of directors performance assessment methods and to disclose the execution status of the annual board of directors performance assessment with an explanation about the manner of assessment.

If the Company's board of directors performance assessment is performed by an external institution or expert, the name of the external assessment institution or expert and statement about the expert's expertise shall be disclosed in the annual report. It shall also be stated as to whether or not such external institution or expert has a business dealings with the Company and whether or not they are independent.

Article 11 Manner of Disclosure

The performance assessment methods established by the Company shall be fully disclosed in the Market Orientation Post System and the website of the Company for consultation.

Article 12 Independence

These Methods are independent for ongoing discussions and approved by the board of directors. The same shall be applicable in case of amendment.

These Methods were established on January 27. The first amendment is made on October 2.