



2023 External Performance Review Result of Board of Directors

According to the "rules for performance evaluation of board of directors", the company has evaluated the board's performance at least once in three years by external independent organizations or professional teams to implement corporate governance and improve the function of the board of directors and functional committees.

The company entrusted the Taiwan Corporate Governance Association (short in Governance Association below) to conduct an external evaluation of the board of directors' performance for the fiscal year 2023. The Governance Association focused on the effectiveness and performance of the company's board of directors. The Governance Association and the executing experts are independent entities with no previous business relations with the company:

- Evaluation period: August 1, 2022, to July 31, 2023.
- Evaluation scope : Board of directors, audit committee, and enumeration committee.
- Evaluation methods: Online self-appraisal, paper review, and on-site visit.
- Criteria:
 1. Composition of the board of directors
 2. Guidance of the board of directors.
 3. Authorization of the board of directors.
 4. Supervision by the board of directors.
 5. Communication of the board of directors.
 6. Internal control and risk management.
 7. Self-discipline of the board of directors.
 8. Other such as board meeting or support systems.
- Summary:
 1. The board of directors has fully considered the balanced equity structure, independence, and expertise when compositing boards. Overall, the boards and functional committee composition align with the current development demand of the company and are conducive to business expansion.
 2. Independent directors in the company actively fulfill their responsibilities by engaging in discussions and providing guidance through board and functional committee meetings with the management team. Faced with significant issues or projects, independent directors will arrange pre-discussion meetings or engage in direct discussions with the chairman, who effectively leverages their expertise, respects their opinions, and allows them to contribute their strengths, enhancing the operational efficiency of the company and reducing various operational risks.
 3. To strengthen the independence of corporate governance and whistleblower systems, the company has established an independent director mailbox in compliance with relevant laws and regulations. The company discloses reporting and complaint channels in the stakeholders' section of its website and establishes a direct communication system between stakeholders and independent directors, demonstrating the company's emphasis on ethical values and integrity in its operations.
- Recommendations and anticipated action :

Item	Recommendations	Anticipated action to be taken
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1	<p>In response to the topic of sustainable development, the company has established practical guidelines for sustainable development and commissioned an external consulting firm to assist the company in preparing a sustainability report and conducting a greenhouse gas inventory operation starting in March 2024. It is suggested that the company adopts the "Sustainable Development Action Plan for Listed Companies" published by the Financial Supervisory Commission as a basis. Develop phased sustainable development strategies, invite independent directors to relevant meetings to guide as needed, and integrate ESG issues with the company's medium to long-term development strategies. This approach ensures that the Board of Directors can simultaneously understand the company's risk situation, further demonstrating the company's commitment to sustainable governance.</p>	<p>The company adopts the "2023 Sustainable Development Action Plan for Listed Companies" published by the Financial Supervisory to formulate short, medium, and long-term sustainable development strategies for the company. Through meetings and communication via email, independent directors are being invited to provide professional advice, aiming to integrate the company's future sustainability reports with ESG issues and corporate development strategies. This approach ensures that the Board of Directors and investors can understand the practical operation of the company, actively implementing corporate sustainable management responsibility.</p>
2	<p>The annual performance evaluation of the internal audit supervisor is currently conducted by the chairman. It is recommended that the company consider having the Audit Committee first express opinions on the performance of the internal audit supervisor before submitting it for the chairman's approval. Furthermore, to enhance the independence and mutual verification function of internal and external audits, it is suggested that the company arrange separate meetings between internal audit personnel and external certified public accountants with the Audit Committee and maintain written records to enhance the effectiveness of the Audit Committee's independent supervision.</p>	<p>In accordance with the suggested actions, the company, in collaboration with independent directors, will develop opinions and procedures for the performance evaluation of internal audit personnel. The company has already arranged separate meetings between internal audit personnel and external certified public accountants with members of the Audit Committee on December 21, 2023, leaving written records to enhance the independent supervision efficiency of the Audit Committee.</p>
3	<p>The company has not established a procedure for reporting significant and unexpected events. It is recommended that the company should formulate a clear reporting system for occasional significant information, including the types of information to be reported, reporting deadlines, reporting methods, and hierarchical levels. This ensures that all board members can timely and fully grasp important company situations, enabling directors to fulfill their duties more effectively.</p>	<p>The company will plan the "Reporting Procedure for Occasional Significant Events" according to the recommendations, specifying standard operating procedures for handling relevant processes and reporting to the Board of Directors. This ensures that all board members can timely access and comprehend important information.</p>

4	<p>In 2022, the company participated in corporate governance evaluation for the first time and still needs to improve after evaluation. Here to recommend that the company periodically review the items in corporate governance evaluations that did not pass and report the evaluation results and improvement plans to the board of directors for supervision and guidance.</p>	<p>Following the recommendations, the company will schedule periodic reviews of items not scored in the corporate governance evaluation for the current year, submitting improvement plans to the Board of Directors for supervision and guidance. The company is committed to enhancing the results of the corporate governance evaluation.</p>
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