

Performance Evaluation of Board of Directors

The Company's Board of Directors approved to establish the "Procedures for Evaluating the Board of Directors" on November 13, 2015. The evaluation shall be conducted at least once every year, using a combination of self-assessment by individual directors and self-assessment or external assessment of the entire Board. The results of the Board's performance evaluation shall be submitted to the most recent Board meeting after the end of each year. On December 24, 2019, the Board approved the amendment to the "Procedures for Evaluating the Board of Directors," incorporating the addition of performance evaluation criteria for functional committees. Further amendments were approved on December 21, 2023, mandating an external independent professional institution or a panel of external expert and scholars conduct an assessment at least once every three years.

The 24th Board of Directors, in December 2023, has completed the internal performance evaluation of the Board, Remuneration Committee and Audit Committee, and appointed an independent institution to conduct an external performance evaluation. The results have been submitted to the Nomination Committee and the Board convened on December 21, 2023, and will be considered in the remuneration and reappointment nomination of individual directors.

Internal Board Performance Evaluation:

- I. The 24th Board of Directors completed the evaluation in December 2023, utilizing a comprehensive self-assessment method for both the overall Board and individual directors. In parallel, the Remuneration Committee and the Audit Committee also engaged in self-assessment processes to evaluate their respective performances.
 1. Evaluation Period: January 1, 2023, to December 31, 2023.
 2. Evaluation Dimensions:
 - (1) The criteria for evaluating the performance of the Board of Directors, covering the following five aspects:
 - (a) Participation in the operation of the Company¹.
 - (b) Improvement of the quality of the Board of Directors' decision making.
 - (c) Composition and structure of the Board of Directors.
 - (d) Election and continuing education of the directors.
 - (e) Internal control °

¹ Including supervision of sustainability risks and support of sustainability goals.

- (2) The criteria for evaluating the performance of the Board members, covering the following six aspects:
 - (a) Alignment of the goals and missions of the Company.
 - (b) Awareness of the duties of a director.
 - (c) Participation in the operation of the Company.
 - (d) Management of Internal relationship and communication.
 - (e) The director's professionalism and continuing education.
 - (f) Internal control.

- (3) The criteria for evaluating the performance of the Remuneration Committee, covering the following five aspects:
 - (a) Participation in the operation of the Company.
 - (b) Awareness of the duties of the Remuneration Committee.
 - (c) Improvement of quality of decisions made by the Remuneration Committee.
 - (d) Makeup of the Remuneration Committee and election of its members.
 - (e) Internal control.

- (4) The criteria for evaluating the performance of Audit Committee, covering the following five aspects:
 - (a) Participation in the operation of the Company.
 - (b) Awareness of the duties of the Audit Committee.
 - (c) Improvement of quality of decisions made by the Audit Committee.
 - (d) Makeup of the Audit Committee and election of its members.
 - (e) Internal control.

II. Evaluation Results:

1. Overall Board self-assessment: "Excellent", with no suggested areas for improvement.
2. Individual Board member self-assessment: All 9 directors were rated as "Excellent", with no suggested areas for improvement.
3. Remuneration Committee self-assessment: "Excellent", with no suggested areas for improvement.
4. Audit Committee self-assessment: "Excellent", with no suggested areas for improvement.

External Board Performance Evaluation:

I. The Company (or hereinafter referred to as "Pou Chen") appointed the independent institution² EY Business Advisory Services Inc. (hereinafter referred to as "EY") to conduct an external Board performance evaluation from September 2023 to December 2023.

1. Evaluation Period: September 1, 2022, to August 31, 2023.

2. Evaluation Process: EY conducted a performance evaluation project for Pou Chen's Board of Directors from September 2023 to December 2023, through reviewing foundational data and relevant meeting documents, administering performance self-assessment questionnaires to 9 directors, followed by individual interviews with 3 directors. Subsequently, EY presented the performance evaluation report for the Pou Chen's Board of Directors.

3. Evaluation dimensions (3 dimensions and 8 aspects)

Dimensions	Aspects
Board Structure	Board structure and processes, Board composition and members
Members	Legal and organizational structure, roles and responsibilities, behavior and culture.
Processes and Information	Director training and development, supervision of risk control ³ , supervision of reporting/disclosure, and supervision of performance ⁴ .

II. Evaluation Results⁵: The overall performance level in terms of Board structure, members, and processes and information was rated as "Advanced."

III. Recommendations based on EY's Evaluation Report and the Company's Planned Measures:

Recommendation	The Company's Planned Measure
Enhance independent directors' comprehensive understanding of grassroots operations	The Company will assess arranging directors to visit overseas facilities, and schedule operational executives to report on performance, market trends, risks, and opportunities. This aims to enhance independent directors' understanding of grassroots operations at the Company.

² EY is a management consulting firm tasked with handling relevant educational training courses for the Board of Directors and providing services to enhance corporate governance. The firm appoints at least 3 experts or scholars in the field of Board governance to assess the Board's performance and produce an external evaluation report. Importantly, EY and the evaluation team maintain independence as there is no financial transaction or business engagement with the Company.

³ Including the Company's existing or potential financial and other traditional risks (legal risk, industrial risk, etc.) and emerging risks (climate risk information risk, information security risk, technological innovation risk, etc.)

⁴ Including regular supervision of the Company's implementation of sustainability (environmental, social, and corporate governance); including the formulation and review of sustainability policies, strategies, and objectives.

⁵ EY evaluated the standard score as:

Basic: Compliance with the basic requirements of the competent authorities and relevant laws and regulations

Advanced: Compliance with the basic requirements of the competent authorities and relevant laws and regulations, as well as a set of established and effective practices, or the initiative to improve the performance of this orientation

Outstanding: Not only does it exceed the basic requirements of the competent authorities and relevant laws and regulations, but the practice is equivalent to benchmarking.

<p>Introduce a director education and training system and establish a director succession mechanism.</p>	<p>The Company keeps regular records of directors' professional development activities, and from time to time provides diverse education courses related to the Company's operations for directors to attend. Also, external experts or consultants are invited to the Company to conduct diverse directors' training programs every year.</p> <p>The Company will establish a succession mechanism for new and existing directors, arrange for directors to transfer and hand over experience and documents from Board and functional committee meetings, and provide training plans for new directors to fully understand the Company's operations, core decisions, and risk management.</p>
<p>Establish a Sustainable Development Committee and a Risk Management Committee.</p>	<p>The Company has a dedicated Sustainable Development Department, which is directly assigned by the Board of Directors, and is well organized to deal with sustainability-related matters. The Department also reports quarterly to the Board on climate change issues, and annually on stakeholder communication, climate change, occupational safety and health management, and other environmental, social and governance sustainability issues, so as to effectively enhance the Company's performance in sustainable operations.</p> <p>The Company will establish a "Risk Management Guidance Committee" composed of senior management, supervised by the Audit Committee and the Board, for better risk control sound operation of the Company. In the future, the Company will consider whether to establish additional functional committees depending on the needs of corporate governance and operational management.</p>