

External Evaluation of Board Performance

In accordance with the Company's Board Performance Evaluation Guidelines, an external evaluation of the Board of Directors' performance is conducted by an independent professional institution or a team of experts and scholars at least once every three years. The most recent external Board performance evaluation was conducted at the end of 2024 and was carried out by Ernst & Young Management Consulting Co., Ltd. The evaluation results are to be reported to the Company's Remuneration Committee and the 4th Meeting of the 17th Term Board of Directors. Details of the implementation are outlined below.

In November 2024, the Company commissioned Ernst & Young Management Consulting Co., Ltd. to conduct the external evaluation of Board performance. The evaluation team possesses professional expertise in risk assessment and corporate governance-related fields. Neither the firm nor its team members have any business relationships with the Company; therefore, their independence is ensured. Their professional competence and experience also meet the requirements for conducting an external Board performance evaluation.

The Board performance evaluation was conducted across three main dimensions: Structure, People, and Process and Information. Evaluation methods included reviewing Board and functional committee-related materials, assessing agenda communication and design, Directors' self-assessment questionnaires, Director interviews, and issue identification. The scope of the evaluation covered eight areas, including Board structure and processes, Board composition, corporate and organizational structure, roles and responsibilities, behavior and culture, Director training and development, oversight of risk control, and reporting, disclosure, and performance oversight mechanisms.

Based on the comprehensive evaluation, the Company's performance in the three dimensions was rated "Advanced," "Advanced," and "Benchmark," respectively. The evaluator also provided recommendations for improvement in areas such as the Board's engagement in corporate operations and understanding of its responsibilities, enhancement of decision-making quality and alignment with the Company's objectives and mission, Board composition and structure, Director nomination and continuing education, and internal control mechanisms. Five key recommendations were highlighted:

1. In response to the Company's development objectives and various emerging risks, it is recommended that dedicated functional committees—such as a Risk Management Committee and an Ethical Management Committee—be established to effectively perform oversight and decision-making functions.

2. It is recommended that the Company establish a Sustainability Committee to cultivate a corporate culture focused on sustainable value creation.
3. In accordance with the *Guidelines for the Establishment and Exercise of Powers by Boards of Directors of Listed Companies*, it is recommended that, starting from 2027, the Company appoint a sufficient number of independent Directors, with the number of Independent Directors accounting for no less than one-third of the total Board seats.
4. It is recommended to establish a talent pool through multiple channels to enhance the diversity of Board members' backgrounds. As the Company is required, starting from 2025, to disclose in its annual report the reasons why female Directors do not account for at least one-third of the Board seats, advance planning to increase the number of female Directors is therefore advised.
5. It is recommended that a reporting mechanism for risk identification be established to ensure that Directors can fully and promptly grasp unfavorable trends and potential risks.

The Company will formulate response plans for each of the above recommendations and evaluate appropriate improvement measures at suitable times. These measures include strengthening the Board structure and assessing the necessity of establishing a Risk Management Committee and a Sustainability Committee. During Board reelections, the Company will prudently evaluate Director candidates and Board seat allocation in accordance with regulatory requirements, with the aim of enhancing Board diversity.

In addition, the Company plans to arrange continuing education programs for Directors on key corporate operational subjects and to strengthen the Board's oversight of sustainability-related financial and non-financial risks.