

## **Board Performance Evaluation Rules for Oriental Union Chemical Corporation (the “Company”)**

Last update: 2019/11/07

**Article 1 (Purpose and basis for adoption)**

On account of the corporate governance implementation and the Board function enhancement to set up the performance goal for the strengthening of the Company’s Board operation efficiency, this Board Performance Evaluation Rule (hereinafter referred to as “this Rule”) is adopted pursuant to the Article 37 of the “Regulations Governing the Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter”.

**Article 2 (Rules and compliance)**

This Rule is set mainly for the evaluation in respect of the cycle, duration, scope, measures, execution unit, process and relevant compliance demanded matters, which shall be handled in accordance with this Rule.

The charters of the functional committees shall be included for internal committee performance evaluation review at least once a year.

**Article 3 (Evaluation cycle and duration)**

The Company’s Board of Directors shall conduct the internal performance evaluation at least once a year, following the guidelines stated herein the Article 6 and Article 8 of this Rule.

The Company’s Board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least every three years.

The results of both internal and external evaluations for the Board of Directors shall be completed by end of the first quarter of the following year.

Article 4 (Evaluation scope and method)

The evaluation scope of the Company's Board of Directors may cover the Board itself, individual Directors, as well as the functional committees.

Methods of evaluations include internal evaluation of the Board, self-appraisal by individual Board member, or any other method deemed appropriate.

Article 5 (Evaluation conducted unit)

The unit conducting internal evaluations of the Company's Board of Directors and each functional committee shall comprehend the operation of the unit subject to evaluation, and play a fair, impartial and independent role.

Article 6 (Evaluation process)

At the end of the year, the units performing evaluations will collect the relevant activities information of the Board, individual Directors and the functional committees, and distribute self-evaluation questionnaires such as Questionnaire for Self-Evaluation of Performance of the Board, Questionnaire for Self-Evaluation of Performance of Board Members, or the Questionnaire for Self-Evaluation of Performance of Functional Committees, to be filled out. The responsible unit, HR department, will then collect all information, and have it compiled into a report, and submitted to the Board of Directors.

Article 7 (Externally professional institution and experts)

The guiding principles for the external evaluation institution or experts to conduct the Board performance evaluation of the Company shall be as follows: the external institution shall organize relevant training programs for Directors, and the services provision of the relevant institution or consulting agent for the improvement in corporate governance.

The panel of external experts shall comprise at least 3 experts or scholars with expertise in Board of Directors or Corporate Governance, to undertake the Company's Board performance evaluation and provide the analytical report of such external evaluation.

Article 8 (Evaluation guidelines and criteria)

The measurement items required for the Board performance evaluation shall be adopted in accordance with the status quo of the Company, and shall at least cover the following five aspects:

1. Participation involved in the Company's business operation
2. Board of Directors' quality improvement in decision-making
3. Composition and structure of the Board
4. Appointment and continued education of the Directors
5. Internal control

The measurement items required for the Board member evaluation shall at least cover the following six aspects:

1. Management control over the Company's goals and missions
2. Acknowledgement of Directors' responsibilities
3. Participation involved in the Company's business operation
4. Internal relationship management and communication
5. Director's professional and continued education
6. Internal control

The measurement items required for the functional Committees evaluation shall at least cover the following five aspects:

1. Participation involved in the Company's business operation
2. Acknowledgement of functional Committees responsibilities
3. Functional Committees quality improvement in decision-making
4. Functional Committee composition and member appointment.
5. Internal control

The guidelines of Board performance evaluation shall be determined based on the operation and requirements of the Company and suitable and appropriate for evaluation by the Company.

Scoring criteria to the evaluation may be modified and adjusted based on the Company's requirement, or subject to the weighted ratio of the

measurement items listed.

Article 9 (Board nomination)

When a Director is nominated, the Board shall provide the evaluation result of the individual Director as nomination reference.

Article 10 (Annual report information disclosure)

The Company shall disclose whether this Rule is formulated in the Annual Report, and the yearly implementation of such Board performance evaluation.

Article 11 (Disclosure methods)

This Rule shall be disclosed on the prospectuses and the website of the Company.

Article 12 (Implementation)

This Rule shall be implemented after receiving the approval from the Board of Directors. Same procedure shall be applied to the amendments of this Rule.

*\* In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*