

# **Taishin Financial Holding Co., Ltd.**

## **Regulations of the Board Performance Evaluation**

### Article 1

To implement effective corporate governance and to enhance the Company's Board functions, these regulations are established referring to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

### Article 2

The evaluation methods and procedures, as well as other matters governing the evaluation of the Board and Functional Committees shall be subject to these regulations.

### Article 3

The Company shall subject the Board and the Functional Committees to both internal and external evaluations. The Company shall conduct an Internal Board Performance Evaluation at least once per year, and the Company shall conduct an Internal Functional Committee Performance Evaluation for each of its Functional Committees at least once per year. A panel of external experts shall conduct a Performance Review at least once every three years. The results of the aforementioned evaluations shall be submitted to the Board of Directors.

### Article 4

The Secretariat Division is the unit responsible for carrying out Internal Board Performance Evaluations. The Internal Performance Evaluations of Functional Committees are to be conducted by each committee's respective procedural unit. The Secretariat Division and the procedural units shall provide necessary assistance to the external experts while the external Performance Review is being conducted.

### Article 5

When appointing a panel of external experts to conduct an evaluation of the Board's performances, the Company shall consider whether the external experts are professional, independent, and equipped with experience or management consulting skills which relate to the providing of services related to the education and training of boards of directors and the enhancement of corporate governance.

The panel of external experts shall comprise at least three experts or scholars specialized in the fields of corporate governance or boards of directors.

The panel of external experts shall prepare analysis reports while the evaluations of the Board's performance are conducted.

## Article 6

The scopes of the Company's Internal Board Performance Evaluations and Internal Functional Committee Performance Evaluations are the Company's Board, the Board's individual Directors, and the Company's Functional Committees. The methods of assessment include self-evaluations conducted by each of the Directors and by each of the Functional Committee members, an operational evaluation of the Board carried out by the Secretariat Division, and operational evaluations of each Functional Committee carried out by each committee's procedural unit. Aspects of evaluation may include familiarity with the goals of the Company, participation in the operation of the Company, the election and education of Directors, internal communication and internal control, etc.

The annual attendance rate of each board member who actually attend the board meetings (excluding attendance by proxy) shall not be less than 80%.

## Article 7

The Company, while conducting the Internal Board Performance evaluation, shall complete the form "Self-Evaluation of Board Members" (Annex 1), the form "Evaluation of the Performance of the Board" (Annex 2), and the form "Self-Evaluation of the Performance of the Functional Committee" (Annex 3):

1. The form "Self-Evaluation of Board Members" is to be completed by individual Directors and shall be submitted to the Secretariat Division to serve as a reference for the form "Evaluation of the Performance of the Board."
2. The form "Evaluation of the Performance of the Board" is to be completed by the Secretariat Division based on a combination of Board performance metrics and the completed-form "Self-Evaluation of Board Members." The evaluation results shall be sent to the Chairman of the Board for approval. A target level of achievement of 80% is set for the Board Performance Evaluation.
3. The form "Self-Evaluation of the Performance of the Functional Committee" is to be completed by individual Functional Committee members and shall be submitted to the procedural units for compilation. The evaluation results shall be sent to the Chairman of the Board for approval. A target level of achievement of 80% is set for each Functional Committee's Performance Evaluation.

## Article 8

To evaluate the performance of the Board and the Functional Committees, the Company shall incorporate, based on the Company's operation and needs, any relevant indexes into the forms "Self-Evaluation of Board Members" (Annex 1), "Evaluation of the Performance of the Board" (Annex 2), and "Self-Evaluation of the Performance of the Functional Committee" (Annex 3). The Chairman is authorized to approve modifications to the aforementioned forms due to changes in laws and regulations or other practical concerns.

#### Article 9

The regulations governing the Company's Board Performance Evaluation and the evaluation results shall both be disclosed on the Company's website or in its annual report.

#### Article 10

The regulations shall take effect once approved in the Board meeting. The same applies to all subsequent amendments.

#### Note:

2016.12.22: Adopted by the 19th meeting of the 6th term Board Meeting.

2019.11.28: Amendments to Articles 2,3,4,5,6,7,8 approved and adopted by the 21<sup>st</sup> meeting of the 7th term Board Meeting.

2021.06.24: Amendments to Articles 6 approved and adopted by the 47<sup>th</sup> meeting of the 7th term Board Meeting.