

## **【 Results of Internal Evaluation of the Board and Functional Committees 】**

1、To implement corporate governance policy and to enhance the effectiveness of the Company's Board and Functional Committees, the Board Performance Appraisal Guidelines were amended with the approval of the Board of Directors on November 28, 2019.

The Company subjects the Board and Functional Committees to both internal and external evaluations. The Company shall conduct an Internal Board Performance Evaluation and an Internal Functional Committees Performance Evaluation at least once a year, and a panel of external experts shall conduct a Performance Review at least once every three years. The Secretariat Division is the unit responsible for carrying out Internal Board Performance Evaluations. The Internal Performance Evaluations of Functional Committees (the Audit Committee, the Remuneration Committee, and the Risk Management Committee) 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 evaluations are being conducted.

The Company's Internal Board Performance Evaluation consists of self-evaluations by the Directors as well as an operational evaluation of the Board; the target level of achievement is set at 80%. The Company's Internal Functional Committees Performance Evaluation consists of self-evaluations by the members of the Functional Committees; the target level of achievement is set at 80%.

2、The results of the Internal Board Performance Evaluation and the Internal Functional Committees Performance Evaluation are outlined below.

(1) Review elements:

### Board

- The following were examined as part of the Directors' self-assessments:
  - A. Understanding of the Company's goals and missions
  - B. Understanding of directorial duties and functions
  - C. Involvement in the Company's business activities
  - D. Internal relations management and communication
  - E. Director expertise and ongoing education
  - F. Internal control

- Items in the Board Performance Assessment included the following:
  - A. Involvement in the Company's business activities
  - B. Improving the quality of the Board's decisions
  - C. The composition and structure of the Board of Directors
  - D. Director expertise and ongoing education
  - E. Internal control

#### Functional Committees

- The following were examined as part of the Functional Committee members' self-assessments:
  - A. Involvement in the Company's business activities
  - B. Understanding of the Functional Committee members' duties and functions
  - C. Improving the quality of the Functional Committees' decisions
  - D. The composition of the Functional Committees and the election and appointment of the Functional Committees' members
  - E. Internal control

(2) Review period: 2018.7.1~2019.6.30

(3) Evaluation results (When graded as "Needs Improvement," specific improvement targets and action plans shall be stated):

Board: Exceed Targets<sup>1</sup>

Audit Committee: Exceed Targets

Remuneration Committee Exceed Targets

Risk Management Committee: Exceed Targets

(4) The evaluation results were submitted to the Board on December 19, 2019.

(5) The evaluation results will serve as a reference for determining whether future meetings require improvement, for selecting or nominating Board candidates, and for determining each individual's remuneration.

<sup>1</sup> The Internal Board Performance Evaluation was completed in July 2019, and the overall performance result was deemed as "Targets Achieved." However, since 100% of the targets' achievement levels were met, the result would now be graded as "Exceed Targets," according to the grading standards currently in place.