

Board performance evaluation regulations

In order to implement the corporate governance of Taiwan Business Bank and improve the functions of the board of directors, Taiwan Business Bank formulated the "Board of Directors Performance Evaluation Methods" approved by the board of directors on July 12, 2017. It has been revised four times during the period. The most recent revision was on October 29, 2021. It was reviewed and approved at the 2nd meeting of the 16th Board of Directors on the same day.

According to the performance evaluation method of the board of directors of Taiwan Business Bank, the board of directors of Taiwan Business Bank should conduct an internal performance evaluation after the end of each year. The performance evaluation results should be completed before the end of the first quarter and reported to the board of directors by the board secretariat. In addition, the regulations should be at least An external unit is entrusted to conduct performance evaluation of the board of directors every three years.

Taiwan Business Bank previously entrusted an external organization, the Taiwan Corporate Governance Association, to conduct the board of directors' performance evaluation in 2020, and again appointed the Taiwan Corporate Governance Association, an external organization, to conduct the board of directors' performance evaluation in 2023. The members of this organization that performs the bank's board of directors' performance evaluation include Executive member and convener, Fu-Wei Chen, executive committee member, Wen-Cheng Liu, evaluation personnel, Chia-Jung, Chiang, and Yi-Ching, Song and other four people checked the Taiwan Corporate Governance Association in handling corporate governance evaluation, board of directors performance evaluation and launching various corporate governance-related education and training It has extensive experience and is an industry leader in improving corporate governance. It is not a specific company that has business dealings with the Bank. The evaluation agency and the evaluators have met the required standards of professionalism and independence.

Outsourcing the results of the board of directors’ performance evaluation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Assessment Results
External evaluation once every three years	September 1, 2022 - August 31, 2023	Board of Directors	Written review and on-site interview (engaging Taiwan Corporate Governance Association)	The performance evaluation of the Board of Directors covers eight aspects: composition of the Board, guidance provided by the Board, authorization by the Board, supervision by the Board, communication performed by the Board, internal control and risk management, self-discipline of the Board, and others (e.g., Board meetings, support system).	Recommendations made by external experts (executive committee member and convener, Fu-Wei Chen, executive committee member, Wen-Cheng Liu, evaluation personnel, Chia-Jung, Chiang, and Yi-Ching, Song) and subsequent improvement measures to be performed by the Bank: . For recommendations on the incorporation of succession and training planning of senior management into the supervision scope of functional committees, going forward, evaluation procedures will be undertaken pursuant to the existing system to implement the talent cultivation and succession of senior management. . For recommendations on how to strengthen the independence of internal audit and supervision effectiveness of the Audit Committee on the internal audit system, going forward, referencing the existing system, the evaluation items in the performance evaluation list of the Auditing Department under the Board and collaboration with the Audit Committee will be strengthened to fortify the supervision effectiveness of the internal audit system. . For recommendations on adjustment to perspective and weight of issues of different facets pertaining to the performance evaluation pursuant to roles and responsibilities of various functional committees, and company development goals at different stages, going forward, the performance indicators and weights in the evaluation questionnaire will be reviewed and revised regularly each year according to the roles of various functional committees and business strategies.

Annual internal performance evaluation of the board of directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Assessment Results
Once every year	January 1, 2024 - December 31, 2024	The Board, Directors, and functional committees	Self-evaluation of Directors and members of each functional committee	The measurement items of the Board's self-performance evaluation must include the following five aspects: the degree of participation in the Bank's operations, the quality of Board decisions, the composition and structure of the Board, the election and continuing education of Directors, and internal control.	46 performance indicators are evaluated by 14 Directors and executive units to be "Excellent" overall.
				The measurement items of the Directors' self-performance evaluation must include the following six aspects: the mastery of the Bank's goals and duties, awareness of Director responsibilities, degree of participation in the Bank's operations, internal relationship management and communication, profession and continuing education of directors, and internal control.	24 performance indicators are evaluated by 14 Directors and executive units to be "Excellent" overall.
				The measurement items of functional committees' performance evaluation must include the following five aspects: the degree of participation in the Bank's operations, awareness of duties of functional committees, elevation of decision-making quality, composition and election of functional committee members, and internal control.	. Audit Committee: 21 performance indicators are evaluated by five committee members and executive units to be "Excellent" overall. . Remuneration Committee: 22 performance indicators are evaluated by five committee members and executive units to be "Excellent" overall. . Sustainable Development Committee: 23 performance indicators are evaluated by five committee members and executive units to be "Excellent" overall. . Digital Transformation Committee: 20 performance indicators are evaluated by six committee members and executive units to be "Excellent" overall.

The 2024 annual internal performance evaluation on the Board of Directors, individual directors and functional committees (including the Audit, Remuneration, Sustainable Development and Digital Transformation Committees) was reported to the 8th Board meeting of the 17th Board on February 21, 2025. The Board performance evaluation outsourced every 3 years will be conducted again in 2026.