

## Board Performance Evaluation Report

According to FET "Corporate Governance Best Practice Principles", the board performance evaluation shall be conducted by an external professional independent institution at least once every three years. The most recent external evaluation of Board performance was completed on November 30, 2021. FET commissioned the "Taiwan Corporate Governance Association(TCGA)" to evaluate Board effectiveness and performance and received evaluation report on December 9, 2021. The aforementioned results of external evaluations have reported to the 4<sup>th</sup> meeting of the 9<sup>th</sup> term of Board of directors on February 25, 2022. Implementation status were as follows:

1. Implementation Date: November 30, 2021.
2. Professional and Independent Institution for Evaluation: Taiwan Corporate Governance Association (TCGA).
3. Independence for Institution: Taiwan Corporate Governance Association (TCGA) is an independent and specialized institution for corporate governance evaluation/assessment and board effectiveness (performance) evaluation. Furthermore, TCGA and evaluating experts are independent units that had no business relationship with FET.
4. Evaluation Method: TCGA evaluators and specialists conduct joint document review in advance and arrange on-site/video evaluation.
5. Evaluation Standards: including Board Composition, Board Guidance, Board Authorization, Board Oversight, Board Communication, Internal Control and Risk Management, Board Self-Discipline, Other Matters (such as board meetings and supporting system). According to self-evaluated document and interview, the institution issued the Board Performance evaluation report.
6. Conclusions:
  - (1) The Company has been ranked in the top 5% of the Corporate Governance Evaluation among listed companies for seven consecutive years, and has been continuously selected as a component of the DJSI-World. The Company has excellent performance in corporate governance.
  - (2) The Company took the initiative to upgrade the Risk Management Committee to a functional committee at the board level in accordance with actual operational needs. This shows that the Company is committed to risk and crisis management.
  - (3) The Company arranges a pre-board meeting where board members are invited to communicate with the management team. The Board members have good interaction with the management team.
  - (4) The Company set up the "Sustainable Development Strategy Roadmap 2018-2025" and proactively implement corporate responsibility for sustainability.
  - (5) The Company has been regularly reviewing the succession status of senior managers. It's able to cultivate a succession pipeline and reserve talents for sustainable development.
7. Recommendations:
  - (1) The Company may consider increasing the number of independent directors (currently has 3

independent directors) in the future to enhance the diversity of expertise of the independent directors and to increase the level of independence of the Board.

(2) The Company may consider setting up an official Nomination Committee and serve as a model of benchmark enterprise for corporate governance.

8. Improvement Plans:

(1) The company will amend articles of incorporation to increase the number of independent directors in 2022.

(2) The company will cautiously evaluate the possibility to set up Nomination Committee.