

## **Compal Electronics, Inc.**

### **Performance Evaluation of the Board of Directors and Functional Committees**

The company has enacted the “Rules for Performance Evaluation of the Board of Directors and Functional Committees”, and conducts regular performance evaluations every year. The performance evaluation scope covering of the individual directors, Board of Directors, Audit Committee, Remuneration Committee and Sustainability Committee shall be completed before the end of the first quarter of the following year. The unit responsible for evaluation will then collect all information, give scores, record the evaluation results, submit the Remuneration Committee analytical review and report to the Board of Directors for discussion and improvement. The results of performance evaluation to the Board of Directors shall be used as reference in determining compensation for individual Directors, their nomination and additional office term.

In order to implement corporate governance and enhance the functions of the company's board of directors. The Board of Directors amended to the “Rules for Performance Evaluation of the Board of Directors and Functional Committees” on November 10, 2023. The Company shall appoint an external independent professional institution or a panel of external experts and scholars to conduct a performance evaluation at least once every three years. The external board performance evaluations shall be completed before the end of the first quarter of the following year, the evaluation results shall be reported to the Board of Directors.

#### **Internal evaluation of the Board of Directors and Functional Committees performance**

The performance evaluation period of year 2023 is from June 1, 2022 to May 31, 2023, have report the Board the implementation result on August 11, 2023. The self-evaluation result will be divided into 1~5 scores, Number 1: Bad (Totally disagree); Number 2: Poor (Disagree); Number 3: Fair (Average); Number 4: Good (Agree); Number 5: Excellent (Totally agree)

#### **• The performance evaluation of the individual board members is as follows:**

Five aspects evaluation	Avg. score	Evaluation level
1.Understanding of company goals and missions	4.62	Good
2.Director's understanding of their duties and responsibilities	4.82	Good
3.Participation in the company's operation	4.60	Good
4.Internal relation maintenance and communications	4.62	Good
5.The Director's professional and continued knowledge development	4.33	Good
6.Internal control	4.69	Good
Total average	4.61	Good

#### **• The performance evaluation of the Board of Directors is as follows:**

Five aspects evaluation	Avg. score	Evaluation level
1.Participation in the company's operation	4.83	Good
2.Improvement on the quality of the Board's decision making	5.00	Excellent
3.Makeup and structure of the Board of Directors	4.57	Good
4.Election of Directors and continued knowledge development	4.43	Good
5.Internal control	5.00	Excellent
Total average	4.80	Good

• **The performance evaluation of the Audit Committee is as follows:**

Five aspects evaluation	Avg. score	Evaluation level
1.Participation in the company's operation	5.00	Excellent
2.Awareness of the duties of the Audit Committee	5.00	Excellent
3.Improvement of quality of decisions made by the Audit Committee	5.00	Excellent
4.Makeup of the Audit Committee and election of its members	5.00	Excellent
5.Internal control	5.00	Excellent
Total average	5.00	Excellent

• **The performance evaluation of the Remuneration Committee is as follows:**

Four aspects evaluation	Avg. score	Evaluation level
1.Participation in the company's operation	5.00	Excellent
2.Awareness of the duties of the Remuneration Committee	5.00	Excellent
3.Improvement of quality of decisions made by the Remuneration Committee	5.00	Excellent
4.Makeup of the Remuneration Committee and election of its members	5.00	Excellent
Total average	5.00	Excellent

• **The performance evaluation of the Sustainability Committee is as follows:**

Four aspects evaluation	Avg. score	Evaluation level
1.Participation in the company's operation	4.33	Good
2.Awareness of the duties of the Sustainability Committee	5.00	Excellent
3.Improvement of quality of decisions made by the Sustainability Committee	4.50	Good
4.Makeup of the Sustainability Committee and election of its members	5.00	Excellent
Total average	4.67	Good

■ **External evaluation of the Board of Directors performance**

The external evaluation mechanism for performance was added in “Board of Directors Self-Assessment of Performance,” passed by the Board on November 10, 2023, and the Company shall appoint an external independent professional institution or a panel of external experts and scholars to conduct a performance evaluation at least once every three years. The company has appointed EY Business Advisory Services Inc. ("EY") to conduct performance evaluation of the board of directors for the first time in November 2023. The evaluation result was reported to the Board of Directors on February 29, 2024.

The reason for independence of the external professional organization:

Ernst & Young Management Consulting Co., Ltd. is not an affiliate of the Company, nor does it have a business relationship that could affect its independence. The personnel and their relatives with second degree of relationship have not held positions of significant influence in the Company, nor do they have a direct or indirect financial interest or have received any gifts from the Company.

Execution period: November to December 2023

Evaluation periods: From January 1, 2023 to December 31, 2023

Scope of evaluation: Board of Directors, Functional Committees (Including Audit Committee, Remuneration Committee), individual Directors

Method of evaluation: Incorporating the application of questionnaires, conducting interviews (with Chairman and one independent director individually), and performing document review and analysis.

Content of evaluation: The performance evaluation includes three dimensions, the structure, members, and processes and information of the Board, and eight evaluation items covering structure and processes of the Board, composition of the Board, corporate and organizational structure, roles and responsibilities, behavior and culture, training and development of the Board, risk management oversight, oversight of report/ disclosure and performance.

Evaluation Result: Compal possesses comprehensive company governance regulations and has established a culture of information transparency within the board of directors, enabling members to utilize their unique skills. Moreover, Compal has set up non-statutory functional committees, such as the sustainability committee and risk management committee, to meet the operational needs of the company.

Compal's performances in the structure, members, and information processes of the board of directors are deemed advanced. Suggestions are presented below to continuously optimize and refine the operation of the board of directors.

<b>Major Aspects</b>	<b>Suggestion</b>	<b>Future improvement plan</b>
Structure of the Board of Directors	Starting from 2024, the number of independent director seats should not be less than one-third of the total seats, and more than half of independent directors should not serve more than three consecutive terms. It is suggested to augment the number of independent director seats and to commence earlier planning for director candidates.	When the company plans to re-elect the next term of directors, the number of independent directors shall not be less than 1/3 of all directors and more than half of the independent directors shall serve no more than three consecutive terms. In addition, at least one female director shall serve, help achieving the specific goal of diversification of the company's directors member
Members	Starting from 2024, there should be at least one director of each gender, thus it is suggested to increase the number of seats held by female directors.	
Procedures and Information	It is suggested to offer a sufficient and diverse range of professional development courses for directors.	Compal has advocated and encouraged Directors to take part in the courses and irregularly gave referrals relevant training information from the competent authorities, external professional institutions, and Kinpo Group Management Consultant Company from time to time. The company and Kinpo Electronics, Inc. also regularly hold refresher courses.

**The evaluation result will be divided into are as follows:**

- Basics: Comply with the basic requirements of the competent authority and relevant laws and regulations.
- Advanced: Comply with the basic requirements of the competent authorities and relevant laws and regulations, and have a set of established and effective practices, or actively improve the performance of this aspect.
- Benchmark: Not only is it better than the basic requirements of the competent authority and relevant laws and regulations, but the practice is equivalent to a benchmark model.