

## **Methods to Evaluate Performance of the Board of Dir**

the assessed unit and shall perform its objective and independent role.  
The execution unit for the assessment of function committees shall be adjusted based on the departmental organization of the Company and the assessment shall be performed by different execution units due to the difference in the operating situation of each function committee. Such execution unit shall perform its objective and shall be a person or unit without any direct interest in the operation of the assessed unit. If the Company has a corporate governance committee or nomination committee composed of independent directors, it is advisable for such committee to be the execution unit of such assessment.

#### Article Assess ment Procedure

The assessment procedure for the performance of the board of directors of the Company is as follows:

Confirm the assessed unit, assessment period and scope for the current year such as overall board of directors, individual board members, each function committee, etc.

Confirm the assessment manner such as internal self assessment by the board of directors, self assessment, on assessment or peer assessment by board members, peer assessment, assessment by external professional institution or expert, etc.  
Selection of proper assessment execution unit.

Each assessment unit will collect information related to the activities of the board of directors and issue relevant self assessment questionnaires to be completed. After information is collected by the consolidating execution unit or the secretariat of the board of directors, the report shall be prepared showing assessment results based on the scoring standards from assessment, each year under these Methods and submitted to the board of directors for review and improvement.

#### Article External Professional Institution and Expert

The external assessment institution or the team of external experts and scholars arranged by the Company to perform board of directors performance assessment shall comply with the following:

External assessment institution or team of experts and scholars shall be professional and independent.

External assessment institutions shall be financial institutions or management consulting companies providing relevant services such as education, training, programs for board of directors and corporate governance improvement services. A team of external experts and scholars shall hire the best experts or scholars in the domain of board or corporate governance to assess the execution status of the

performance assessment of the board of directors of the Company and to prepare  
an external assessment analysis report

#### Article Assessment Benchmark and Scoring Standards

The Company shall establish board of directors performance assessment evaluation  
items in consideration of the Company's situation and needs which shall include the  
following aspects

- Level of participation in the operation of the Company

- Improvement of the quality of board decisions

- Composition and structure of the board of directors

- Selection and continued learning of directors

- Internal control

Evaluation items for self or peer performance assessment of the board members  
shall include the following aspects

- Understanding of the Company's objectives and missions

- Awareness of directors' duties

- Level of participation in the operations of the Company

- Internal relationship operations and communications

- Directors' professionalism and continued learning

- Internal control

Evaluation items for the performance assessment of functional committees shall  
include the following aspects

- Level of participation in the operations of the Company

- Awareness of the duties of functional committees

- Improvement of the quality of decisions by the functional committees

- Composition of functional committees and selection of members

- Internal control

Benchmarks of board of directors performance assessment shall be consistent with  
the operations and needs of the Company and shall fit its contents for the  
Company's execution of performance assessment. Such benchmarks shall be  
reviewed and suggestions shall be proposed regularly.

Scoring standards shall be adjusted and amended in accordance with the Company's  
needs. Scoring shall be weighted based on various evaluation aspects.

#### Article Utilization of Assessment Results

The results of the performance assessment on the board of directors of the Company  
shall be used as reference for selection or nomination of directors. The board  
performance assessment results shall also be used as reference in the determination of

Salary remuneration

#### Article Annual Report Information Disclosure

It is decided for the Company to disclose in its annual report whether it has established board of directors performance assessment methods and to disclose the execution status of the annual board of directors performance assessment with an explanation about the manner of assessment

If the Company's board of directors performance assessment is performed by an external institution or expert, the name of the external assessment institution or expert and statement about the expert's expertise shall be disclosed in the annual report. It shall also be stated as to whether or not such external institution or expert has a business dealings with the Company and whether or not they are independent.

#### Article Manner of Disclosure

The performance assessment methods established by the Company shall be fully disclosed in the Market Observation Post System and the website of the Company for consultation.

#### Article Implementation

These Methods are implemented for ongoing discussions and approved by the board of directors. The same shall be applicable in case of amendment.

These Methods were established on January 1, 2017. The first amendment shall be made on October 1, 2017.