

Results of internal evaluation of board performance in 2023

1. The company has formulated the "Rules for Performance Evaluation of the Board of Directors of Union Bank" and has been approved by the board of directors. The overall operation of the board of directors and functional committees and individual board members should conduct internal board performance evaluations of the year at least once a year; at least A board performance evaluation is conducted every three years by an external professional independent agency or a team of external experts and scholars. The results of the internal performance evaluation of the board of directors should be completed before the end of the first quarter of the next year and submitted to the audit committee and board of directors reports.

2. Evaluation method

- (1) The Board Performance Evaluation Form is completed by the executing unit based on the evaluation results from the Board Member Performance Self-Evaluation Questionnaire and the actual implementation status. The evaluation report is then submitted to the Board of Directors for review and improvement.
- (2) The Board Member Performance Self-Evaluation Questionnaire is completed by each board member and submitted to the executing unit for statistical analysis, serving as a reference for the Board Performance Evaluation Form.
- (3) The Functional Committee Performance Evaluation Form is completed by the executing unit after gathering relevant information about committee activities. The evaluation results are compiled into a report and submitted to the functional committees and the Board of Directors for review.

3. Implementation of internal assessment

- (1) The measurement items for the board of directors' performance evaluation include five major aspects :
 - 1. Participation in company operations.
 - 2. Enhancement of decision-making quality.
 - 3. Board composition and structure.
 - 4. Director selection and continuing education.
 - 5. Internal control.
- (2) The measurement items for director member performance evaluation include six aspects :
 - 1. Understanding of the company' s goals and missions.
 - 2. Awareness of director responsibilities.
 - 3. Degree of participation in company operations.

4. Management and communication of internal relationships.
5. Professional expertise and continuous education of directors.
6. Internal control.

(3) Measurement items for performance evaluation of functional committees (Audit Committee, Salary and Remuneration Committee and Director Nomination Committee), covering five major aspects :

1. Degree of participation in company operations.
2. Awareness of functional committee responsibilities.
3. Improvement of decision-making quality within the functional committee.
4. Composition of the functional committee and selection of its members.
5. Internal control.

4. Internal evaluation results

completed the performance evaluation of the Board of Directors, Directors, Audit Committee, Salary and Remuneration Committee and Director Nomination Committee in March 2024 , and submitted the evaluation results to the 20th meeting of the 11th Board of Directors on March 11, 2024 for review .

The evaluation results will also be used by the Salary and Remuneration Committee as a reference for salary and remuneration adjustments of individual directors and nominations for renewal by the Director Nomination Committee.

In order to enhance the discrimination of the measurement indicators of the board of directors' performance evaluation results, when the achievement rate of all measurement indicators is more than 90% (inclusive), it is "exceeding the standard" ; when the achievement rate is 80 % (inclusive) or more and less than 90 % , it is "Comply with standards"; when the achievement rate is less than 80 % , it is " can still be enhanced".

Results of the performance evaluation of the Board of Directors and functional committees and the committee' s recommendations to the bank:

(1) Board of Directors: The overall target achievement rate is 98.5%, and the performance evaluation result is "exceeding standards"

A total of 6 board meetings were held in 2023. The average attendance rate of directors in person was 94%, reaching the corporate governance evaluation index "the average actual attendance rate of all directors on the board of directors in the year of evaluation was more than 80% ." Each board meeting had at least two seats. Independent directors attended in person. We have provided timely consultation on implementation matters and improvements such as information security, fair treatment of customers (such as enhanced care for elderly customers, prevention of fraud, and financial-friendly services), review of money laundering prevention warning cases, and rule of law education, and it is recommended to continue to improve ESG capabilities. ,

the improvement measures have been discussed by the relevant responsible units to discuss the sustainability matters expected to be implemented next year, in order to strengthen the implementation and execution of the company's sustainable development policy . The achievement rate of various evaluation items was 98.5%, and the performance evaluation result was "exceeding standards". The evaluation results show that the board of directors has fulfilled its responsibilities of guiding and supervising the company's strategy, major businesses and risk management, and has established an appropriate internal control system. Overall The operation is complete and in line with corporate governance.

- (2) Audit Committee: The overall target achievement rate is 98.3%, and the performance evaluation result is " exceeding standards"

Regarding the specification revisions and deficiencies improvement matters proposed by each unit, members requested that compliance with the provisions of the competent authorities and relevant laws be ensured, and recommended that deficiencies be discovered early through the information security system. Relevant units have provided explanations on their response measures, which is obvious to this committee. The overall operation is perfect, meets the requirements of corporate governance , and can effectively enhance the functions of the board of directors.

- (3) Salary and Remuneration Committee: The overall target achievement rate is 99 % , and the performance evaluation result is "exceeding standards"

The committee members suggested clearly setting the basis for employee remuneration payment targets based on their employment dates.

The company has revised the employee remuneration stock allocation standards in 2023.

- (4) Director Nomination Committee: The overall target achievement rate is 95.8%, and the performance evaluation result is " exceeding standards"

The overall operation is perfect, in line with corporate governance , and effectively enhances the functions of the board of directors.

Results of external evaluation of board performance in 2022

1. The Bank' s "Board of Directors Performance Evaluation Methods" were adopted by resolution at the 19th meeting of the 10th Board of Directors on November 11, 2020, and clearly stipulate that external evaluations will be carried out at least once every three years.
2. In April 2022, the Bank appointed the China Corporate Governance Association to conduct the 2021 external evaluation of board of directors effectiveness (period 2021/8/1-2022/7/31). The China Corporate Governance Association is responsible for Taiwan' s professional corporate governance system evaluation and board of directors performance evaluation. The non-governmental, non-profit corporate body that provides appraisal services and its execution experts have no business dealings with the Bank and are independent. The association appointed executive member Su Yuhui (former supervisor of Kaohsiung Bank and Mega Bank, independent director of Juyang Industrial and Huahan Technology), executive member Chen Yanliang (independent director of First Financial Holdings and First Commercial Bank) and two evaluation specialists Song Yijing and Chen Yiting serve as the evaluation team. In addition to reviewing the bank' s evaluation indicator project statements in writing and providing relevant documents, the association will conduct an on-site visit to the bank on August 30, 2022, to conduct an on-site evaluation of the board of directors, respectively. The evaluation is carried out in eight aspects: communication, internal control and risk management, self-discipline and others (board meetings, support systems, etc.). Professional organizations are used to review the current operation of the bank' s board of directors and functional committees, and through the guidance and guidance of the evaluation committee members Communication enabled the Bank to obtain a professional and objective medical examination report. The results of the performance evaluation of the Bank' s Board of Directors by the China Corporate Governance Association have been submitted to the 11th meeting of the 11th Board of Directors on October 17, 2022 for review.
3. General comments
 - (1) The chairman of your company adheres to the core concept of "deep cultivation in Taiwan and sustainable management", advocates a corporate culture of honest hospitality, continues to deepen employees' risk awareness, and shapes the business style of a transparent, stable, and century-old enterprise. We look forward to building on the existing foundation , work hard with all colleagues to reach new heights.
 - (2)The chairman of your company attaches great importance to the discussion culture of brainstorming, so that various board proposals can be fully

discussed, which helps to improve the quality of decision-making. Communication between board members and between directors and managers is smooth through different communication methods (telephone, line), effectively improving the efficiency of decision-making and forming a good board meeting culture.

- (3)Your company regularly holds symposiums between the audit department and independent directors to discuss the implementation of the audit business (including annual audit plans, tracking improvement matters, etc.), and submit meeting minutes to the board of directors for reports; your company has disclosed on its website a dedicated report E-mail and a third-party reporting platform have been established to accept reports from interested parties. Since there is already a third-party whistleblowing platform responsible for the logistics supervision of whistleblowing cases, and your company also regularly reports the results to the board of directors, the current whistleblowing and reporting system operates well.

4. Summary of suggested matters and improvement measures of the Bank

project	Suggestions	Improvement measures
1	In order to increase the effectiveness of the decision-making of the board of directors and functional committee meetings and ensure the quality of meeting information, it is recommended that the meeting dates of some functional committees (such as the audit committee and sustainable development committee) and the board of directors should not be scheduled on the same day, so that directors can have time to understand The situation of each proposal can be fully discussed and the functions of the committee can be fully exerted.	The current meeting dates for functional committees such as sustainable development, salary and remuneration, and director nomination are not held on the same day as the board of directors. In addition, the Bank will send the convening notice or relevant information on the contents of the meeting to each member 7 days before the Audit Committee convenes, providing each member with sufficient time to review the proposals. The relevant authorities will also review and improve the current operations.
2	In accordance with the company's future development needs and environmental challenges, consider increasing the proportion of outside directors with different majors to enhance the independence and diversity of professional capabilities of the entire board of directors.	Based on the company's industrial characteristics and development needs, it will be included in the evaluation and consideration when handling the comprehensive re-election of the 12th director of the Bank.

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3	<p>It is recommended to regularly review the performance evaluation system and indicators of general managers and senior managers to ensure that they are in line with the company's business strategy and to maximize the effectiveness of evaluation. It is also recommended that the development, training and succession plan for senior managers be included in the organizational regulations of the salary and remuneration committee, and its implementation should be reviewed regularly to review their remuneration accordingly, in order to effectively motivate the management team and facilitate sustainable operations.</p>	<p>Relevant suggestions will be listed as priorities for strengthening the plan.</p>
4	<p>The competent authorities encourage listed companies to obtain AQI information from the accounting firms when selecting certified accountants for annual financial report review as a reference for evaluating appointments or renewals.</p> <p>It is recommended that the Audit Committee refer to the published "Audit Quality Index (AQI) Disclosure Framework and Template" and strengthen the evaluation indicators for the selection of certified accountants, in order to improve the validity of the evaluation and ensure the quality of the audit. At the same time, it is recommended to set up a communication mechanism between certified accountants and the audit committee separately, and leave written records to strengthen the audit committee's supervision function on the presentation of financial statements.</p>	<p>Relevant suggestions will be listed as priorities for strengthening the plan.</p>