

Rules for Performance Evaluation of the Board of Directors of Union Bank

Approved by the 10th Board of Directors at the 4th meeting on November 7, 2018
Amended and approved by the 10th Board of Directors at the 8th meeting on July 17, 2019
Amended and approved by the 10th Board of Directors at the 19th meeting on November 11, 2020
Amended and approved by the 11th Board of Directors at the 4th meeting on October 4, 2021

Article 1: Purpose and Basis

To implement corporate governance, enhance the functionality of the Board of Directors, and establish performance goals to improve the efficiency of board operations, these rules are formulated in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

Article 2: Applicable Regulations

The performance evaluation of the Board of Directors and its functional committees shall comply with the provisions in these rules regarding the main evaluation cycle, period, scope, methods, executing units, procedures, and other relevant matters.

Article 3: Evaluation Cycle and Period

The Board of Directors shall conduct an internal performance evaluation at least once a year, with the evaluation for the year completed according to the procedures and indicators in Articles 6 and 7 by year-end.

An external evaluation must be conducted by an independent external institution or team of experts/scholars at least once every three years, also by year-end.

Results of internal evaluations must be completed by the first quarter of the following year.

Article 4: Evaluation Scope and Methods

The evaluation scope includes the overall Board of Directors, individual board members, and functional committees.

The methods include internal self-assessments, self-evaluations by board members, or commissioning external professional institutions, experts, or other appropriate methods.

Article 5: Executing Units

The execution of internal performance evaluations for the Board of Directors and functional committees is the responsibility of their respective secretariat units.

Article 6: Evaluation Procedures

By the end of each fiscal year, the following forms should be completed: Board Member Performance Self-Evaluation Questionnaire (Appendix 1), Board Performance Evaluation Form (Appendix 2), and Functional Committee Performance Evaluation Form (Appendix 3):

1. 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.
2. 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.
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.
4. The executing units responsible for internal evaluations of the Board of Directors and functional committees must thoroughly understand the operational status of the evaluated units and conduct evaluations fairly and objectively.

Article 7: Evaluation Indicators and Results

Indicators should be tailored to the bank's operations and needs and regularly reviewed by the Compensation and Remuneration Committee.

Evaluation criteria for the Board should include:

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.

The evaluation metrics for board member performance should include at least the following 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.

The evaluation metrics for functional committee performance should include at least the following five 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.

Adjustments to appendix forms in Article 6 require the Chairman's approval.

Article 8: External Evaluations

The external evaluation institutions or expert teams commissioned by the bank to conduct the Board performance evaluation must meet the following requirements:

1. External evaluation institutions or expert teams must possess professionalism and independence.
2. External evaluation institutions should primarily be organizations or management consulting companies that provide services such as board-related educational training programs and the enhancement of corporate governance.
3. Expert teams should consist of at least three experts or scholars specializing in board or corporate governance fields to evaluate the implementation status of the Board's performance evaluation and prepare an external evaluation analysis report.

Article 9: Information Disclosure

The bank must disclose these rules on the Market Observation Post System and its website. Annual implementation details and methods should be disclosed in the annual report and on the website.

If external institutions or experts conduct evaluations, their names, professional qualifications, and independence must be disclosed.

Article 10: Implementation

These rules take effect upon approval by the Board of Directors, with amendments subject to the same procedure.