

# **E.SUN Bank**

## **The Rules for performance evaluation of Boards**

Approved on 2013.02.01 during the 13th Meeting of the eighth Board of Directors  
Approved on 2015.08.21 during the 11th Meeting of the ninth Board of Directors

### Article 1 Purpose

This Policy is established according to Article 37 of the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies to enhance the functionality of the board of directors and implement corporate governance.

### Article 2 Evaluation Periods and Methods

Board performance evaluation shall be conducted at the end of each year according to the evaluation dimensions and indexes, and the chairman of the board shall be authorized to adjust the evaluation dimensions, indexes, or options according to business requirements or matters concerning the development of corporate governance practices and theories.

### Article 3 Evaluation Procedure

#### 1. Evaluation of board performance

- (1) Each year, the Company evaluates board performance of the previous year using the board performance scorecard.
- (2) Board performance is evaluated by the Corporate Governance and Nomination Committee of E.SUN FHC, and subsequently resolved by the Board of Directors.

#### 2. Evaluation of functional committee performance

- (1) Each year, the Company evaluates performance of various functional committees in the previous year using the committee performance scorecard.
- (2) Performance is evaluated by the respective functional committees, and subsequently reported to the Board of Directors.

#### 3. Evaluation of director performance

- (1) At the beginning of each year, directors are required to evaluate their own performance (self-assessment) and the performance of other directors (overall assessment) in the previous year, using a designated scorecard.
- (2) The board meeting organizer will consolidate directors' self-assessments and

overall assessments to conclude the final performance score for each director.  
This result is subsequently presented for the Chairman's review.

#### Article 4 Evaluation Items and Indexes

1. Board performance evaluation scale:

The content of evaluation shall include the degree of participation in the company's operations, improvement in the quality of decision making by the board of directors, the composition and structure of the board of directors, the election of the directors and their continuing professional education, and internal control.

2. Evaluation of functional committee performance

The content of evaluation shall include the degree of participation in the company's operations, improvement in the quality of decision making by the committee, the composition and structure of the committee, the election of the committee members and their continuing professional education, and internal control.

3. Self-evaluation:

Method of name disclosure shall be adopted, and the content of evaluation shall include participation and interaction, directors' role, quality of decision making, professional knowledge, attendance rate, and self-development.

4. Overall assessment:

Method of anonymity shall be adopted, and the overall evaluation of the board of directors shall encompass participation and interaction, directors' role, quality of decision making, and professional knowledge.

The Company's board of directors, functional committee, and director performance evaluation scales established based on the aforementioned principles are provided in the Appendix.

#### Article 5 External Evaluation

The Company's board of director's performance evaluation shall be executed at least once every three years by an external professional independent institution or external expert scholar.

The chairman of the board shall be authorized to decide the delegated subject, schedule, methods, and related matters in the preceding paragraph.

Article 6 This policy shall effectuate and implemented upon approval of the Board.