

CTCI Corporation

Regulations Governing the board Performance Evaluation

Adopted on December 13, 2016

1st Amended on November 2, 2018

- Article 1 To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors, this template is established pursuant to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies for compliance.
- Article 2 The general evaluation cycles, evaluation periods, scope and method of evaluation, the unit conducting evaluations, evaluation procedures and other matters for compliance under the Company's regulations governing the board performance evaluation of shall be subject to this template.
- Article 3 The Company shall conduct an internal board performance evaluation at least once a year. The internal board performance evaluation for the current year shall be conducted at the end of each year according to the evaluation procedures and the evaluation indexes in this template.
The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars once every three years. The performance evaluation for the current year shall be conducted at the year-end.
Internal and external board performance evaluations shall be completed before the first board meeting held in the following year.
- Article 4 The Company's board evaluation is the evaluation of the board as a whole. Methods of evaluations include the internal evaluation of the board, self-evaluation by individual board members, or other appropriate methods.
- Article 5 The unit conducting internal evaluations of the Company's board of directors shall have an adequate understanding of the operation of the unit subject to evaluation and shall play a fair, impartial and independent role.
- Article 6 The procedures for the Company's board performance evaluation are as follows:
1. At the end of a year, the units performing evaluations will collect information about the activities of the board of directors and distribute self-evaluation questionnaires such as the Questionnaire of Self-Evaluation of Performance of the Board in Annex 1, to be completed.
 2. The unit responsible for evaluation will then collect all information, record the evaluation results in a report, and submit the report to the board of directors for discussion and improvement.

- Article 7 When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of board performance, the Company shall act in accordance with the following guidelines:
The external evaluation institution shall be an institution or management consulting firm mainly engaging in the provision of services for educational and training programs for board of directors and improvement of corporate governance of enterprises.
The panel of external experts and scholars shall appoint at least three experts or scholars specialized in the fields of board of directors or corporate governance to conduct evaluations of board performance of the company and prepare external evaluation analysis reports.
- Article 8 The criteria for evaluating the performance of the Company's board of directors should cover the following aspects:
1. Participation in the operation of the company;
2. Improvement of the quality of the board of directors' decision making;
3. Composition and structure of the board of directors;
4. Election and continuing education of the directors; and
5. Internal control.
6. Others.
The indexes of board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the company.
- Article 9 The performance evaluation regulations established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times, to be made available for consultation.
- Article 10 The Company's regulations shall take effect after having been discussed and approved by the board of directors. Subsequent amendments thereto shall be effected in the same manner.