2024 Board performance evaluation results (external)

According to CTBC Bank's Regulations Governing Board Performance Evaluations, Board performance evaluations must be conducted by an external professional independent institution or a team of external experts and scholars at least once every three years. In October 2024, the Bank commissioned the Taiwan Corporate Governance Association to conduct an external evaluation of the Board's performance. The overall evaluation results were submitted to the Board for acknowledgment on March 21, 2025.

1. **Independence of the external institution:**
   The Taiwan Corporate Governance Association is an independent and professional nonprofit organization dedicated to corporate governance assessments and board performance evaluations. It has long supported Taiwanese enterprises in enhancing their governance and sustainability. The association and the experts involved in this evaluation maintain no other business relationships with the Bank, ensuring their independence.
2. **Evaluation period:**
   Jan. 1, 2024, to Dec. 31, 2024
3. **Evaluation criteria:**
   (1) Board composition and division of responsibilities
   (2) Guidance and supervision
   (3) Delegation and risk management
   (4) Communication and collaboration
   (5) Self-discipline and continuous improvement
4. **Evaluation methods:**
   Questionnaires, document review, and on-site interviews
5. **Evaluation results:**
   (1) Summary of the Bank and its governance:
   - In 2022, the current Board was appointed in accordance with CTBC Financial Holding's diversity policy, with suitable members assigned to the bank subsidiary's board. There are currently nine directors, including

three independent directors and two female directors. The Bank focuses on international business development, and Board members have diverse backgrounds as well as extensive experience and expertise in global operations.

- The Board has established an Audit Committee, Compensation Committee, and Risk Management Committee. Each functional committee has clear responsibilities and transparent decision-making processes.
- The Chairperson conducts Board meetings professionally and transparently, fostering an open meeting culture and ensuring smooth Board operations. The Bank values directors' professional opinions; it arranges pre-meeting communication sessions for major proposals to allow thorough discussion with independent directors, enabling them to fully exercise their supervisory role and assist in making optimal decisions.
- Management performance evaluations are linked to the Bank's strategic objectives and include compliance, succession planning, and ESG implementation as key performance indicators. Additionally, a five-year deferred bonus system aligned with CTBC Bank's five-year strategic plan demonstrates the Bank's commitment to motivating the management team and prioritizing long-term interests and corporate sustainability.
- Senior management development and succession planning are comprehensive. Department managers and above must identify and assess potential successors, while professional consultants conduct regular talent reviews to strengthen and develop successors. Plans and outcomes are regularly reported to the Board, reflecting the Bank's strong emphasis on talent development as the foundation for sustainable operations.
- The Board conducts annual self-assessments. Indicators that fail to reach Level 3 (Agree/Good) or have three directors scoring below Level 4 (Strongly Agree/Excellent) are flagged for further review and improvement, demonstrating the Bank's determination to enhance Board effectiveness and pursue continuous improvement.

(2) Evaluation recommendations and improvement plan

Evaluation recommendation	Improvement plan
It is recommended that the Bank establish Board session objectives in line with its phased development.	➢ The Bank has set the current Board's performance goals based on phased development and has incorporated related questions into the Board Performance Evaluation Questionnaire.
It is recommended that the Bank consider increasing the percentage of female directors when conducting Board re-elections.	➢ The Bank has revised the Board Performance Evaluation Questionnaire to include a question regarding whether the Board's gender composition aligns with the diversity policy.
The Audit Committee is responsible for the Responsibility Map system, but its authority is defined mainly by the Securities and Exchange Act and does not explicitly cover Responsibility Map matters. It is recommended that the Bank explicitly incorporate this into the committee's mandate.	➢ The Bank has revised the Audit Committee Charter to explicitly define the responsibilities related to the Responsibility Map system.