

# Lemtech Holdings Co., Limited

## Board of Directors and Functional Committees Performance Evaluation Procedures (Translated version)

### Article 1 Purpose and Basis

To strengthen corporate governance and enhance the functions of the Board of Directors and Functional Committees of the Company, and to establish performance objectives to improve their operational effectiveness, these Procedures are adopted in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

### Article 2 Applicable Rules

The performance evaluation cycle, evaluation period, scope and methods, executing units, evaluation procedures, and other matters to be complied with for the Board of Directors and Functional Committees shall be handled in accordance with these Procedures.

The charters of each Functional Committee shall specify that an internal committee performance evaluation shall be conducted at least once annually.

### Article 3 Evaluation Cycle and Period

The Company's Board of Directors and Functional Committees shall conduct performance evaluations annually in accordance with the procedures and indicators set forth in Articles 6 and 8.

At least once every three years, the performance evaluation of the Board of Directors and Functional Committees should be conducted by an external professional and independent institution or a team of external experts and scholars.

The results of the performance evaluation shall be completed before the end of the first quarter of the following fiscal year.

### Article 4 Scope and Methods of Evaluation

The scope of evaluation includes the performance of the overall Board of Directors, individual directors, and Functional Committees.

Evaluation methods include self-evaluation by the Board and Functional Committees, self-evaluation or peer evaluation by individual directors, peer evaluation, engagement of external professional institutions or experts, or other appropriate methods.

## Article 5 Evaluation Executing Units

The executing unit responsible for the Board performance evaluation shall have a thorough understanding of the operations of the evaluated unit and shall maintain fairness, objectivity, and independence.

The executing unit for the Functional Committees may vary depending on their operational characteristics and organizational structure. Such executing units shall be fair, objective, and independent from the evaluated unit. Where the Company has established a Corporate Governance Committee or Nomination Committee composed of independent directors, such committee is recommended to serve as the evaluation executing unit.

## Article 6 Assessment Procedures

The performance assessment procedures for the Board of Directors and functional committees of the Company are as follows:

1. Determine the units, period, and scope to be assessed for the current year (such as the Board of Directors as a whole, individual directors, functional committees, etc.).
2. Determine the assessment method (such as Board self-evaluation, self-evaluation or peer evaluation by directors, peer review, appointment of external professional institutions, expert evaluation, etc.).
3. Select the appropriate unit to conduct the assessment.
4. Each executing unit shall collect relevant information on the activities of the Board of Directors and functional committees, distribute Appendix 1 "Board of Directors Performance Self-Assessment Questionnaire," Appendix 2 "Directors (Self or Peer) Performance Self-Assessment Questionnaire," and Appendix 3 "Functional Committees Performance Self-Assessment Questionnaire" for completion, and then have the coordinating executing unit collect and consolidate the data. Thereafter, based on the scoring criteria of the assessment indicators in Article 8, record the assessment results in a report, and submit it to the Board of Directors for review and improvement.

## Article 7 External Professional Institutions and Experts

The external assessment institutions or external expert scholar teams engaged by the Company to conduct performance assessments of the Board of Directors and functional committees shall comply with the following provisions:

1. The external assessment institutions or external expert scholar teams shall possess professionalism and independence.

2. The external assessment institutions shall primarily be institutions or management consulting firms that handle services related to education and training programs for the Board of Directors and functional committees, as well as services to enhance corporate governance.
3. The external expert scholar teams shall engage at least three experts or scholars in the fields of boards of directors or corporate governance to assess the implementation of the Company's Board of Directors and functional committees performance assessments, and prepare an external assessment analysis report.

## Article 8 Assessment Indicators and Scoring Criteria

The Company shall consider its circumstances and needs to establish the measurement items for the Board of Directors performance assessment, which shall at least include the following five major aspects:

1. Degree of participation in the Company's operations.
2. Improvement of Board of Directors decision-making quality.
3. Composition and structure of the Board of Directors.
4. Directors' nomination and continuing education.
5. Internal control.

The measurement items for the performance assessment of individual directors (self or peer evaluation) shall at least include the following six major aspects:

1. Understanding of the Company's goals and missions.
2. Awareness of directors' duties.
3. Degree of participation in the Company's operations.
4. Internal relationship management and communication.
5. Directors' expertise and continuing education.
6. Internal control.

The measurement items for the performance assessment of functional committees shall at least include the following five major aspects:

1. Degree of participation in the Company's operations.
2. Awareness of functional committees' duties.
3. Improvement of functional committees' decision-making quality.
4. Composition and nomination of functional committees' members.
5. Internal control.

The indicators for the performance assessment of the Board of Directors and functional committees shall be established based on the Company's operations and needs, with content that is appropriate and suitable for the Company's performance assessment implementation, and shall be periodically reviewed and recommended by the Remuneration Committee.

The scoring criteria may be revised and adjusted according to the Company's needs, and may also adopt a weighted scoring method based on each measurement aspect.

#### Article 9 Application of Assessment Results

The performance assessment results of the Company's Board of Directors and functional committees shall serve as reference for the selection or nomination of directors; and the individual director performance assessment results shall serve as reference for determining their individual remuneration.

#### Article 10 Disclosure of Information in Annual Report

The Company shall disclose in its annual report whether it has established procedures for the performance assessment of the Board of Directors and functional committees, as well as the implementation status of the annual performance assessments of the Board of Directors and functional committees, and explain the assessment methods.

If the Company engages external institutions or experts to conduct performance assessments of the Board of Directors and functional committees, it shall disclose in its annual report the names of the external assessment institutions or experts, their professional qualifications, and whether such external institutions or experts have business dealings with the Company and possess independence.

#### Article 11 Disclosure Method

These Procedures shall be disclosed on the Market Observation Post System and the Company's website.

#### Article 12 Implementation

These Procedures shall take effect upon approval by the Board of Directors. Amendments shall be handled in the same manner.

Adopted on November 13, 2019.