

Zhen Ding Technology Holding Limited

Rules for Performance Evaluation of Board of Directors and Functional Committee

Set date: August 10, 2018

Date of revision: March 11, 2025

Article 1

(Basis for adoption)

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 the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance and the Company's Corporate Governance Best Practice Principles.

Article 2

(Rules to be followed)

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 shall be subject to this template.

The functional committees of the Company include Audit and Risk Committee, Remuneration Committee, and Corporate Governance, Sustainability and Nominating Committee.

Article 3

(Evaluation cycles and periods)

The Company's board of directors shall conduct an internal board performance evaluation every year according to the evaluation procedures and the evaluation indexes in Articles 6 and 7.

The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. Internal and external board performance evaluations shall be completed before the end of the first quarter of the following year.

Article 4

(Evaluation scope and methods)

The Company's board evaluation scope covers the evaluation of the board as a whole, individual directors and functional committees.

Methods of evaluations include the internal evaluation of the board and the functional committees, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Article 4-1

(External professional institutions and experts)

When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of board performance, the Company shall comply with the following guidelines:

1. The external evaluation institution or panel of external experts and scholars shall be professional and independent.
2. 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.
3. 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 5

(Evaluation execution unit)

The Corporate Governance and Investor Relations Division has an adequate understanding of the operation of the board of directors and functional committees, and is the executive unit for the performance evaluation of the board of directors and functional committees.

Article 6

(Internal evaluation process)

At the end of the year, the Corporate Governance and Investor Relations Division collects relevant information on the activities of the board of directors and functional committees, distributes the following questionnaires and collects statistical evaluation results, and submits them to the board of directors as a basis for review and improvement.

1. The Questionnaire of Self-Performance Evaluation of the Board in Annex 1 : To be completed by the Chairman.
2. The Questionnaire of Self-Performance Evaluation of Board Members in Annex 2 : To be completed by board members.
3. The Questionnaire of Self-Performance Evaluation of the Audit and Risk Committee in Annex 3 : To be completed by the Committee Convener.
4. The Questionnaire of Self-Performance Evaluation of the Remuneration Committee in Annex 4 : To be completed by the Committee Convener.
5. The Questionnaire of Self-Performance Evaluation of the Corporate Governance, Sustainability and Nominating Committee in Annex 5 : To be completed by the Committee Convener.

Article 7

(Evaluation indicators and scoring criteria)

The Company's criteria for evaluating the performance of the board of directors should cover the following five aspects:

1. Participation in the operation of the company;
2. Improvement of the quality of decision making;
3. Composition and structure;
4. Election and continuing education ; and
5. Internal control.

The criteria for evaluating the performance of the board members on themselves should cover, at a minimum, the following six aspects:

1. Alignment of the goals and missions of the company;
2. Awareness of the duties ;
3. Participation in the operation of the company;
4. Management of internal relationship and communication;
5. Professionalism and continuing education; and
6. Internal control.

The criteria for evaluating the performance of functional committees should cover, at a minimum, the following five aspects:

1. Participation in the operation of the company;
2. Awareness of the duties of the functional committee;
3. Improvement of quality of decisions made by the functional committee;
4. Makeup of the functional committee and election of its members and
5. Internal control.

The first three performance evaluation indicators and evaluation standards can be adjusted according to the actual operation of the company.

Article 8

(Use of evaluation results)

When electing or nominating members of the board of directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance.

Article 9

(Information disclosure)

The Company shall disclose in its annual report how the board performance evaluation has been conducted each year, including information covering at least evaluation cycle, evaluation period, scope of evaluation, evaluation method, and what is to be evaluated.

In cases where an external institution or experts are appointed to conduct evaluations of board performance, the Company shall, in the annual report, disclose the external evaluation institution, the experts and their team members, and their expertise, and the statement of independence by the external evaluation institution or experts, and describe the evaluation method, standards and suggestions on improvement to be made.

Article10

(Way of exposing)

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.

Article11

(Enforcement)

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.