

## **O-Bank Co., Ltd.**

### **Implementation Result of the Performance Evaluation of Board of Directors**

#### **I. Principle**

Based on “O-Bank’s Regulations Governing the Performance Evaluation of Board of Directors,” the Board of Directors and functional committees shall conduct an internal board performance evaluation at least once a year; the evaluation shall be conducted at least once every 3 years by external professional independent institutions or panel of external experts and scholars.

#### **II. External Evaluation**

##### **A. Summary of Implementation**

In August 2024, the Bank commissioned Taiwan Corporate Governance Association (hereinafter “the association”) to conduct the board performance evaluation. The evaluation period is from September 1, 2023 to August 31, 2024. The association is a non-profit and professional public interest group that advocates corporate governance, and helps businesses improve corporate governance, competitiveness, and sustainability. Also, it provides such services as offering training courses for directors, conducting corporate governance system assessment and board performance evaluation, and issuing publications on corporate governance. The association’s evaluation panel is composed of 5 association members, experienced in corporate governance assessment, corporate governance evaluation, and board performance evaluation. That is, the evaluation panel is equipped with professional competence in conducting the Bank’s board performance evaluation. In addition, the association clarified the independence of the panel in the statement of the evaluation report.

The association conducts the evaluation based on the open-ended questionnaire, other materials provided, public information, and on-site visit. On November 13, 2024, the evaluation panel met in person with the Bank’s Chairman, Independent Directors, President, Internal Audit Officer, and Corporate Governance Officer for evaluation. The assessment focused on five key dimensions: “Board Composition and Division of Duties,” “Board Guidance and Supervision,” “Board Authorization and Risk Management,” “Board Communication and Collaboration,” and “Board Self-discipline and Improvement.” The association issued the report of the Bank’s board performance evaluation on November 27, 2024. Subsequently, on December 24, 2024, the Bank submitted the evaluation report and its follow-up improvement plans to the 2<sup>nd</sup> Corporate Governance and Nomination Committee in its 9<sup>th</sup> meeting, and on December 25, 2024, the report and plans were approved by the 9<sup>th</sup> Board of Directors in its 14<sup>th</sup> meeting. Additionally, it is planned to submit the implementation status of the report’s suggestions for 2025 to the Bank’s Corporate Governance and Nomination Committee and the Board of Directors for review by the end of 2025.

##### **B. Summary of General Evaluation**

1. In addition to considering shareholding structure and professional expertise, the composition of the Board of Directors also pays special attention to the compatibility of directors' personal traits with the Bank's culture of integrity and ethical business practices. To enhance the Board's independence, the number of seats allocated to shareholder representatives has been reduced, ensuring that independent directors and female directors each constitute one-third of the total board seats, which is commendable.
2. The members of the Board have diverse backgrounds and experience in economics, business, management, accounting, law, information technology, and sustainability. All four independent directors are distinguished experts in their respective fields, actively engaged in their roles, and frequently interact with the management team. They provide professional advice and guidance on key issues, while the Chairman regularly communicates with individual directors on industry developments and future trends, fostering strong overall board operations and member interactions.
3. The Board of Directors oversees four functional committees: the legally mandated Compensation Committee and Audit Committee, as well as the Corporate Governance and Nomination Committee and the Sustainability Committee. The responsibilities and organizational procedures of each committee are publicly disclosed on the Bank's website.
4. The Board Sustainability Committee is chaired by the Chairman of the Board, with all independent directors invited to participate. Additionally, the ESG Development Working Committee has been established, tasked with formulating corporate sustainability strategies, actively promoting related initiatives, and regularly reporting on implementation progress. To align with international trends and meet the expectations of stakeholders, the Bank has devoted significant efforts to developing sustainable financial products and services. The Bank also continues to participate in various domestic and international sustainability evaluations, earning numerous awards that recognize the Bank's relentless efforts in the ESG field.
5. The Auditing Division reports to the Board of Directors and submits audit reports, signed by the Chairman, to independent directors within two months of each audit's completion. The Internal Audit Officer reports the status of audit operations to the Audit Committee and the Board of Directors at least quarterly. Independent directors also provide recommendations to strengthen audit operations. Members of the Audit Committee participate annually in setting and reviewing the internal audit officer's performance goals and evaluations, which are approved by the Chairman. Additionally, board members and the internal audit officer hold two internal control review meetings annually, with meeting minutes submitted to the Board for approval. The Audit Committee conducts an annual evaluation of the independence and suitability of the external auditors, arranges private meetings with them, and maintains written records of these discussions.
6. The Bank has appointed the Corporate Governance Officer and assigned the Corporate Secretariat to handle corporate governance-related matters. This includes assisting directors with their onboarding, continuous education, fulfillment of duties, and legal compliance, as

well as managing board and shareholder meeting-related affairs. The Bank has established “Regulations Governing the Performance Evaluation of Board of Directors,” under which self-evaluations of the Board, its members, and functional committees are conducted annually, with results reported to the Board. The latest evaluation results were presented to the Board on March 13, 2024. Additionally, the guidelines stipulate that an external professional independent institution should conduct evaluations at least once every three years. The Bank first engaged an external professional independent institution for Board performance evaluation in 2021 and formulated continuous improvement measures based on their recommendations. In 2024, the Bank again commissioned an external professional independent institution to continue the evaluation, demonstrating the Board’s proactive approach to implementing corporate governance and enhancing board effectiveness.

C. Summary of suggestions and improvement plan

Suggestions (summary)	Improvement Plan
<p>The management team sets annual operational strategies based on the Bank’s vision and long-term goals, reporting the following year’s objectives to the Board at year-end. The association suggests to hold annual mid- to long-term strategy meetings with independent directors and senior management to discuss the Bank’s vision and strategies, helping the Board guide and oversee their implementation.</p>	<p>The Bank’s management team will consider the association’s suggestions and plan suitable ways to involve independent directors in strategy meetings, ensuring effective guidance and oversight of operational strategies.</p>
<p>The association suggests that the Bank to regularly present functional committee work reports at Board meetings and invite committee conveners to share updates. This helps Board members understand the committees’ views and recommendations, improving collaboration and efficiency.</p>	<p>From 2025 onwards, following the association’s suggestions, steps will be taken to ensure Board members receive timely updates on functional committee opinions after their meetings and before Board decisions are made.</p>

<p>The Bank analyzes the abilities and traits of senior managers and successors using scientific methods and adopts expert recommendations for talent development. The association suggests to make “Succession Planning of Senior Management” part of the Corporate Governance and Nomination Committee’s responsibilities, with regular updates to the committee and the Board to ensure proper oversight and support sustainable governance.</p>	<p>In response to the association’s suggestion, the Bank will include the Succession Planning of Senior Management in the Corporate Governance and Nomination Committee’s duties, and report the implementation to the Corporate Governance and Nomination Committee and the Board, starting in 2025.</p>
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### III. Internal Evaluation

At the beginning of each year, the Bank conducts its internal performance evaluation of the Board of Directors for the previous year and completes by the first quarter of each year.

#### A. Evaluation Indicators:

The Bank’s internal evaluation of performance of the Board of Directors employs 5-point scale: “Excellent (5 points), Very Good (4 points), Good (3 points), Fair (2 points), Needs Improvement (1 point)” for quantified evaluation. The resulting average scores are then used for measurement. The evaluation items include as below:

1. A total of 52 indicators is determined for Board performance evaluation. The evaluation aspects include participation in company operations, improvement on the quality of the board’s decision making, composition and structure of the board of directors, election of directors and continued knowledge development, internal control, other essential issues, etc.
2. For functional committee performance evaluation, a total of 24 indicators is determined in Audit Committee, 20 in Compensation Committee, 19 in Corporate Governance and Nomination Committee, and 19 in Sustainability Committee. The evaluation aspects include participation in company operations, understanding of the committee members’ duties and responsibilities, improvement on the quality of the committees’ decision making, composition of the committees and election of the committee members, internal control, etc.
3. A total of 24 indicators is determined for Board member performance evaluation (self-assessment). The evaluation aspects include grasp of company targets and missions, understanding of the directors’ duties and responsibilities, participation in company operations, internal relationship management and communications, professional qualifications of directors and continued knowledge development, internal control, etc.

#### B. Result of 2024 Internal Performance Evaluation:

1. The average score of Board performance evaluation on each aspect is between 4.70~4.95:

<b>Evaluation Aspect</b>	<b>Average Score</b>
A. Participation in company operations	4.70
B. Improvement on the quality of the board's decision making	4.89
C. Composition and structure of the board of directors	4.95
D. Election of directors and continued knowledge development	4.93
E. Internal control	4.93
F. Others (issues such as fair treatment of clients, personal information management, AML/CFT, legal compliance, information security management, ESG development, corporate social responsibility, ethical corporate management, etc.)	4.94

2. The average score of functional committee performance evaluations shows that the Audit Committee, Compensation Committee, Corporate Governance and Nomination Committee, and Sustainability Committee all received a score of 5 across all evaluation aspects:

<b>Evaluation Aspect</b>	<b>Average Score of Audit Committee</b>	<b>Average Score of Compensation Committee</b>	<b>Average Score of Corporate Governance and Nomination Committee</b>	<b>Average Score of Sustainability Committee</b>
A. Participation in company operations	5	5	5	5
B. Understanding of the committee members' duties and responsibilities	5	5	5	5
C. Improvement on the quality of the committee's decision making	5	5	5	5

D. Composition of the committees and election of the committee members	5	5	5	5
E. Internal control	5	5	5	5

3. The average score of Board member performance evaluation (self-assessment) on each aspect is between 4.78~4.98:

<b>Evaluation Aspect</b>	<b>Average Score</b>
A. Understanding of company goals and missions	4.89
B. Understanding of the directors' duties and responsibilities	4.98
C. Participation in company operations	4.78
D. Internal relationship management and communications	4.81
E. Professional qualifications of directors and continued knowledge development	4.86
F. Internal control	4.81

4. Overall, the Bank's Board of Directors and functional committees are operating effectively by fully fulfilling their duties of supervising and advising on the Bank's strategic plans, major business decisions, risk management, and sustainable development. Moreover, all the functional committees are operating efficiently with clear divisions of responsibilities, effectively enhancing the Board's functions, decision-making efficiency, and execution capability. In the meantime, the Board members clearly understand their responsibilities, actively participate in the Bank's operations and decision-making, and continuously strive for self-improvement, refining their professional expertise and governance acumen. This commitment ensures the quality of decision-making, further strengthens the Bank's corporate governance framework, and upholds best governance practices.

Below are the improvement suggestions of 2024 Internal Performance Evaluation of Board of Directors:

<b>Improvement Item</b>	<b>Improvement Plan</b>
1. Directors' attendance at Shareholders' Meetings (Attendance rate of at least 1/2 is rated as 3: Good)	The average actual attendance rate of the Bank's directors at Board meetings in 2024 (excluding proxy attendance) was higher than in 2023. In 2025, the Bank will continue to

	enhance and improve directors' attendance at shareholders' meetings by providing early notice of the annual shareholders' meeting date and actively inviting directors to participate.
2. Sufficient communication and interaction with the External Auditor.	The Bank plans to arrange sessions for the external auditor to report and engage in discussions with Board members.

C. The result of 2024 Internal Performance Evaluation of Board of Directors was deliberated and approved by the Corporate Governance and Nomination Committee on March 11, 2025, and the Board of Directors on March 12, 2025. They will serve as key references for enhancing the Board of Directors (including functional committees and board members) performance, adjusting director's remuneration, and the nomination process for Board re-elections.