

# **EVERGREEN STEEL CORPORATION**

## **REGULATIONS GOVERNING BOARD PERFORMANCE EVALUATIONS**

### **Article 1**

To implement corporate governance, to enhance the Company's board functions, to set forth performance objectives that will improve the Board of Directors' operating efficiency, and pursuant to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, these Regulations are established.

### **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 shall be subject to these Regulations.

### **Article 3**

The Company's Board of Directors shall annually conduct an internal board performance evaluation at least once a year in accordance with the evaluation procedures and the evaluation indexes in Article 6 and Article 7.

The Company's board performance evaluations may be conducted by an external institution specified in Paragraph 1, Article 9 once every three years.

### **Article 4**

The Company's board evaluation scope covers evaluation of the Board as a whole, individual Directors (self-evaluations), and functional committees.

Evaluation methods include internal evaluations of the Board and the functional committees, self-evaluation by individual Board members, and performance evaluations by appointed external specialized institutions, experts, or other appropriate methods.

### **Article 5**

The Company's Corporate Governance Department (below, the "Implementing Unit") shall be the unit in charge of implementing Board of Directors performance evaluations.

## **Article 6**

To conduct internal Board of Directors performance evaluations, the Implementing Unit shall collect information about the operation status of the Board of Directors and distribute the following questionnaires to each director and functional committee member to fill out. After collecting the questionnaires and summarizing the results, the Implementing Unit shall report to the Board of Directors before the end of March of the following year, to serve as a basis for review and improvement:

1. Board Performance Self-Evaluation: Each director's evaluation of the overall Board's performance.
2. Board Member Performance Self-Evaluation: Each director's evaluation of their own performance.
3. Functional Committee Performance Self-Evaluation: Each functional committee member's evaluation of the overall performance of their respective committee(s).

The questionnaires in the preceding paragraph shall be formulated by the Implementing Unit in accordance with the principles specified in Article 7 as well as the operation and needs of the Company; the Implementing Unit shall formulate questionnaire content that is suitable and appropriate for evaluations by the Company and to be reviewed at any time.

## **Article 7**

The indexes for Board Performance Self-Evaluations shall cover, at a minimum, the following six aspects:

1. Participation in the Company's operations;
2. Improvement of the quality of the Board of Directors' decision-making;
3. Composition and structure of the Board of Directors;
4. Directors' election and continuing education;
5. Implementation of the Company's sustainable development (ESG);
6. Internal control.

The indexes for Board Member Performance Self-Evaluations shall cover, at a minimum, the following six aspects:

1. Grasp of the Company's goals and missions;
2. Awareness of the duties of a director;
3. Participation in the Company's operations;
4. Management of internal relationships and communication;
5. The director's professionalism and continuing education;
6. Internal control.

The indexes for Functional Committee Performance Self-Evaluations shall cover, at a minimum, the following five aspects:

1. Participation in the Company's operations;
2. Awareness of the functional committee's duties;
3. Improvement of the quality of decisions made by the functional committee;
4. Composition of the functional committee and election of its members;
5. Internal control.

## **Article 8**

The Implementing Unit shall separately summarize the self-evaluation results for the Board, Board members, and functional committees in accordance with Article 6. Each self-evaluation score shall be the overall score averaged from all indexes (full score five points), corresponding to the following results:

1. An average score of 4.5 points or higher: Excellent;
2. An average score of 3.5 points or higher but less than 4.5 points: Good;
3. An average score of 2.5 points or higher but less than 3.5 points: Acceptable;
4. An average score less than 2.5 points: Improvement Needed.

Scoring criteria may be modified and adjusted based on the Company's needs. A weighted scoring method may also be adopted, depending on the evaluation aspects.

## **Article 9**

When appointing an external evaluation institution to conduct evaluations of board performance, the Implementing Unit shall comply with the following guidelines, and shall submit them to the Chairman for approval before putting them in place:

1. The external evaluation institution or panel of external experts and scholars shall possess expertise and independence.
2. The external evaluation institution shall be a public/private institution or management consulting firm engaging in the provision of services for educational and training programs for boards of directors and improvement of enterprises' corporate governance.
3. The panel of external experts and scholars shall be composed of at least three experts or scholars specialized in the fields of board of directors or corporate governance.

The Implementing Unit shall report the external evaluation institution's evaluation results to the Board of Directors. When necessary, the Implementing Unit may invite the external evaluation institution or panel of external experts and scholars to attend as guests and make explanatory statements.

## **Article 10**

The Board performance evaluation results may serve as a reference basis for the election or nomination of members of the Board of Directors; the Company may also use individual Directors' performance evaluation results as a reference basis for determining said Directors' remuneration.

## **Article 11**

These Regulations shall be disclosed on the Company's website or Market Observation Post System. Methods and results for the annual board performance evaluations shall be disclosed on the Company's website and in the annual report.

## **Article 12**

Any matter not provided for by these Regulations shall be subject to the resolutions of Board of Directors, except where otherwise provided for in the law, and the Company's Articles of Incorporation and Corporate Governance Best Practice Principles.

## **Article 13**

These Regulations shall take effect once they are reviewed by the Remuneration Committee, then submitted to and approved by the Board of Directors. The same shall apply to any amendments.

### **The History of “Regulations Governing Board Performance Evaluations”**

1. These Regulations were enacted on March 16, 2020;
2. The 1<sup>st</sup> amendment was made on November 10, 2020;
3. The 2<sup>nd</sup> amendment was made on May 13, 2021;
4. The 3<sup>rd</sup> amendment was made on December 21, 2021;
5. The 4<sup>th</sup> amendment was made on December 20, 2023.