

2021 Outcome of CDF’s Performance Evaluation of the Board and Directors

1. CDF, at the 10th meeting of the 6th Board of Directors convened on 21 November, 2016, approved to establish the “Board of Directors Performance Evaluation Guidelines”, which requires the internal performance evaluation of the Board for the current year shall be completed by the end of the year. In accordance with CDF’s “Regulations for Performance Evaluation of the Board of Directors”, the Company shall conduct the internal board performance evaluation at least once a year. The board evaluation scope covers the evaluation of the board as a whole, individual board members, and the board’s functional committees.
2. The period of the board evaluation for year 2021 is from 1 January to 31 December.
3. CDF completed the internal board performance evaluation for year 2021, and the results were reported at the 47th meeting of the 7th board of directors on 24 January, 2022. The results are as follows:

(1) The self-evaluation of the entire board

The criteria for the board performance evaluation covers 42 indicators in six aspects. The average score for each aspect ranges from 4.93 to 5 (out of 5), indicating that the board has perfection to guide and supervise the company's strategy, major business and risk management responsibilities, and be able to establish a proper internal control system, and have a high degree of participation in sustainable management (ESG) matters, and the overall operation is complete and consistent with the requirements of corporate governance.

Six dimensions for the self-evaluation of the entire board	No. of Indicators	Average Score
A. Participation in the operation of the company	11	4.93
B. Improvement of the quality of the board of directors' decision making	11	4.97
C. Composition and structure of the board of directors	6	4.96
D. Selection and continuing education of the directors	5	4.90
E. Internal controls	7	5
F. Participation in environmental, social and governance initiatives (ESG)	2	4.94

(2) The self-evaluation by individual directors

The criteria for the self-evaluation of individual directors covers 25 indicators in six aspects. The average score for each aspect ranges from 4.83 to 5 (out of 5), indicating that the directors have positive reviews on the efficiency and effectiveness of the operation of each indicator.

Six dimensions for the self-evaluation of individual directors	No. of Indicators	Average Score
A. Familiarity with the goals and missions of the company	3	5
B. Awareness of the duties of a director	4	4.94
C. Participation in the operation of the company	8	4.83
D. Management of internal relations and communications	3	4.83
E. Professionalism and continuing education of the directors	4	4.94
F. Internal controls	3	5

(3) The self-evaluation of the audit committee

The criteria for the self-evaluation for the audit committee covers 26 indicators in five aspects. The average score for each aspect ranges from 4.93 to 5 (out of 5), indicating that the overall operation of the audit committee is complete and consistent with the requirements of corporate governance to enhance the functions of the board of directors effectively.

Five dimensions for the self-evaluation of audit committee	No. of Indicators	Average Score
A. Participation in the operation of the company	5	5
B. Awareness of the duties of functional committees	5	4.93
C. Improvement of the quality of the functional committees' decision making	7	5
D. Composition and selection of the functional committees	4	5
E. Internal controls	5	5

(4) The self-evaluation of the remuneration committee

The criteria for the self-evaluation for the compensation committee covers 23 indicators in five aspects. The average score for each aspect ranges from 4.92 to 5 (out of 5), indicating that the overall operation of the compensation committee is complete and consistent with the requirements of corporate governance to enhance the functions of the board of directors effectively.

Five dimensions for the self-evaluation of remuneration committee	No. of Indicators	Average Score
A. Participation in the operation of the company	5	5
B. Awareness of the duties of functional committees	4	4.92
C. Improvement of the quality of the functional committees' decision making	7	5
D. Composition and selection of the functional committees	4	5
E. Internal controls	3	5

(5) For the indicator which three and more directors gave a score of 4, the improvement measure is as follows:

Indicator	Improvement Measure
Directors have adequate communication and interaction with financial statement auditors.	A pre-meeting to invite directors to communicate with the CPAs will be arranged before the board meeting.