

Sercomm Corporation Rules for Performance Evaluation of Board of Directors

Article 1 (Purpose and basis for establishment)

To implement corporate governance and enhance the functions of the Company's Board of Directors, setting forth performance objectives to improve board operation efficiency, these rules have been established pursuant to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for compliance.

The Company shall establish a method for evaluating the Board's performance in accordance with these rules and relevant provisions, with separate methods for different evaluation units as needed.

Article 2 (Applicable standards)

The Company's board performance evaluation method, including the main evaluation cycle, period, scope, methods, executing unit, procedures, and other compliance matters, shall be conducted in accordance with these rules.

The organizational rules for functional committees shall be subject to review at least once a year as part of the Company's regulations governing performance evaluation for internal committees.

Article 3 (Period and cycle of evaluation)

The Company's Board of Directors shall conduct an annual internal board performance evaluation according to the evaluation procedures and criteria outlined in Articles 6 and 8.

The performance evaluation of the Company's Board of Directors 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 (Scope and method of evaluation)

The scope of the Company's board evaluation includes the performance assessment of the entire Board, individual directors, and functional committees.

Methods of evaluations include internal self-evaluation by the Board and by individual directors, as well as performance evaluations conducted by external professional institutions, experts, or other appropriate means.

Article 5 (Unit responsible for evaluation)

The unit responsible for conducting the internal board performance evaluation of the Company should have a comprehensive understanding of the operations of the evaluated unit and maintain a fair, objective, and independent role.

Units responsible for the evaluation of functional committees may vary based on each committee's operations and the Company's organizational structure. The evaluation unit shall be fair, objective, and independent, with no direct conflicts of interest with the unit being evaluated. If the Company has a corporate governance committee or a nomination committee composed of independent directors, these committees shall serve as the unit(s) responsible for evaluation.

Article 6 (Appraisal procedures)

The procedures for the Company's board performance evaluation are as follows:

- I. Determine the units to be evaluated in the current year, as well as the period and scope of evaluation, e.g. the Board of Directors as a whole, individual board members, and/or various functional committees.
- II. Determine the evaluation method, e.g. internal self-evaluation of the Board, self-evaluation by board members, and/or evaluation by appointed external professional institutions and experts.
- III. Select the units appropriate to conduct the evaluations.
- IV. Units responsible for the evaluation shall gather information relevant to the activities of the Board of Directors and distribute self-assessment questionnaires, which include Appendix 1 "Board of Directors Performance Self-Evaluation Questionnaire", Appendix 2 "Board Member

Performance Self-Evaluation Questionnaire", and Appendix 3 "Functional Committee Performance Self-Evaluation Questionnaire". The coordinating unit or Board Secretariat then collects the data, compiles the evaluation results based on the evaluation criteria outlined in Article 8, and submits a report to the Board for review and improvement.

Article 7 (External professional institutions and experts)

External institutions or expert teams appointed by the Company to conduct board performance evaluations must meet the following requirements:

- I. The external evaluation institution or team of external experts and scholars shall possess both professionalism and independence.
- II. External evaluation institutions shall primarily include institutions or management consulting firms that provide board-related education and training courses, as well as corporate governance enhancement services.
- III. External experts and scholars, specializing in board or corporate governance, shall be appointed to evaluate the implementation of the Company's board performance evaluation and prepare an external evaluation analysis report.

Article 8 (Indicators and scoring criteria)

The Company shall take into consideration its condition and needs when establishing board performance evaluation criteria, which shall at least include the following five areas:

- I. Participation in the operation of the Company.
- II. Improvement in the quality of the Board's decision-making.
- III. Composition and structure of the Board.
- IV. Election and continuing education of directors.
- V. Internal control.

Measurement items for the performance evaluation of individual directors shall at least include the following six areas:

- I. Understanding of the goals and missions of the Company.
- II. Awareness of the duties of directors.
- III. Participation in the operation of the Company.
- IV. Management of internal relationship and communication.
- V. Professionalism and continuing education of directors.
- VI. Internal control.

Measurement items for the performance evaluation of functional committees shall at least include the following five areas:

- I. Participation in the operation of the Company.
- II. Awareness of the duties of functional committees.
- III. Improvement in the quality of decision-making by functional committees
- IV. Composition of functional committees, and election and appointment of committee members.
- V. Internal control.

Indicators of the board performance evaluation shall be determined based on the operation and needs of the Company, and shall be subject to regular reviews and constructive comments by the Board of Directors.

Scoring criteria shall be adjusted based on the Company's needs and can be weighted according to different evaluation aspects.

Article 9 (Application of evaluation results)

Results of the Company's board performance evaluation shall serve as a reference for the selection or nomination of directors.

Article 10 (Information disclosure in annual reports)

The Company shall disclose in its annual report whether it has established a board performance evaluation method, the annual implementation of the board performance evaluation, as well as the evaluation methods used.



If the Company engages external institutions or experts for board performance evaluations, it shall disclose in the annual report the names and qualifications of these external evaluators, whether they have any business relationships with the Company, and their independence status.

Article 11 (Method of disclosure)

The performance evaluation methods established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times for public access and reference.

Article 12 (Implementation)

These Rules hereof come into force after discussion and approval by the Board of Directors, and the same shall apply to any revisions.