

WT Microelectronics Co., Ltd.

The Implementation of External Board Performance Evaluations in 2023

■ Basis For Evaluation

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, the Company passed to establish the "Rules for Board of Directors Performance Evaluation" on August 10, 2016, and was amended in accordance with the rules on August 7, 2020.

■ Evaluation Cycle And Period

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. External board performance evaluations shall be completed before the end of the first quarter of the following year.

■ Evaluation Scope

To evaluate the effectiveness of the Board of Directors' operations in 2023.

■ Evaluation data and methods

The evaluation was performed through the Company's regulations, records, documents and questionnaires (evaluation questions and feedback), and interviewed with the directors.

■ External professional institution and executive members

The Company appointing an external evaluation institution "Taiwan Institute of Ethical Business" (hereinafter called "Institute of Ethical Business") on December 5, 2023. There are three executive members of Institute of Ethical Business responsible for implementation. The executive members are all qualified as lecturers or above from public or private colleges and universities in finance, accounting or legal disciplines. They are scholars and experts who have paid attention to corporate governance for long time. They uphold a fair and objective attitude and have no business relationship with the Company.

■ Evaluation indexes- Four aspects

- **The Board's professional competencies-Board of Directors composition and structure, election and continuing education of Directors**

Evaluation indexes : Diversity of composition of the Board of Directors, continuing education of the directors, utilization of external resources, etc.

- **The Board's decision making performance-Participation in the operation of the company, Improvement of the quality of the Board of Directors' decision making**

Evaluation indexes : The attendance of directors in meetings, the directors understanding of the Company's operation, the directors' management of the Company, the adequacy of information on which the directors make decisions, etc.

- **The Board's attention to and oversight of internal control**

Evaluation indexes : The formulation and implementation of employee codes of conduct, supervision of internal audits, unobstructed communication and reporting channels, disclosure and avoidance of interests, etc.

- **The Board's attitude towards sustainable management**

Evaluation indexes : Disclosure of ESG information, arrangement of talent cultivation and succession plan, actions for sustainable management, etc.

■ Evaluation results

This performance evaluation report was issued on February 2, 2024. The conclusions and recommendations of the report and the improvement measures proposed by the Company are as follows:

- **Overall observation and conclusion :**

- 1. The Board's professional competencies :**

The current Board of Directors of the evaluated company is composed of half non-independent directors and half independent directors. Their professional backgrounds include accounting, industry, finance and technology. The composition of the directors is diverse and can provide the Company with diversified opinions from different perspectives.

- 2. The Board's decision effectiveness :**

Directors have full discussions through multiple channels. When material business development decisions are made, board members and managers will have in-depth discussions. All directors understand the Company's operation and can make appropriate decisions with sufficient information.

- 3. The Board's attention to and oversight of internal control :**

In order to strengthen the assessment and analysis of risks related to sustainable development, the evaluated company established functional committees under the Board of Directors to strengthen risk assessment and take corresponding measures based on the risk assessment results, and regularly review the effectiveness of relevant procedures to ensure the effectiveness of the risk management system which is working normally.

- 4. The Board's attitude towards sustainable management :**

The evaluated company continue to strengthen corporate governance and establish Sustainability Development Committees to enhance investment in sustainability issues. The evaluated company have established educational foundations for many years, actively invest in social welfare, and continue to implement talent cultivation and senior manager succession plans , to pursue sustainable management goals.

- **Optimization recommendations and improvement measures :**

- 1. Increase independent directors' understanding of the operations of overseas subsidiaries and deepen the interaction between independent directors and managers**

- ✓ **Improvement measures :**

As the Company's operating scale continues to expand, it will carefully evaluate the possibility of holding board meetings in important overseas locations in the future, and adjust the communication pattern between front-line managers and board members according to the directors' needs to help directors understand the Company and its subsidiaries operations.

- 2. Continue to implement corporate sustainability goals**

- ✓ **Improvement measures :**

The Company will continue to pay attention to the development of domestic and

international sustainability trends and related standards, and will improve the transparency of the Company's ESG information accordingly.

■ **Date of presentation to the Board of Directors**

The Company had submitted the evaluation results and adopted by resolution in the Nominating Committee and Board of Directors on February 16, 2024.