

2016 Performance Assessment of the Board of Directors and its Members

(Approved by the Board of Directors on 2017.02.23)

For the purpose of implementing corporate governance and improving the Board's function, Dynamic exercised **2016 performance assessment of the Board of Directors** in accordance with "The Practices & Procedures of the Board's Performance Assessment". This performance assessment includes the performance evaluation of the whole Board of Directors, functionality committees and every individual board member. The evaluation was put into practice in the manner of internal self-assessment of the Board and self-assessment of each board member. Assessment result and improvement action plan are as follows:

1. The performance assessment of Board of Directors, Audit Committee and Remuneration Committee

Subject	Comments	Improvement Action Plan
Comprehensive Comments	1) Each regulated item has been carried out accordingly. Good!	NA
	2) Board member, organization, functionality, related committees and activities were able to meet the requirement.	NA
Suggestions	1) To achieve timely evaluation, the performance assessment shall be finished within one week after the board meeting.	It will be implemented after 2017 board meetings.
	2) The plan of director successors shall be discussed in detail.	It is suggested contacting the related experts externally based on the trend of the

		Company' s industry before figuring out the plan of director successors.
	3) The quantitative and qualitative composition goals of the board shall be set.	<p><u>Goal of qualitative composition:</u></p> <p>A. Proportion of representative composition (1/3 of shareholder' s prospective, 1/3 of business prospective, and 1/3 of corporate governance and social responsibilities)</p> <p>B. Proportion of ability composition (1/4 of operation management, 1/4 of financial audit, 1/4 of law and corporate governance, and 1/4 of technological profession)</p> <p><u>Consideration of qualitative composition:</u></p> <p>A. Qualitative dimension (Supplementary degree of decision-making style, rich degree of discussion interaction, and foresight degree of issue settings)</p> <p>B. Assessment tools (Assessment tool of decision-making style, depth and width measurement of face-to-face interaction content, and foresight degree of assessment on</p>

		issue setting for each other)
	4) As the planning of corporate strategies and governance must be realized and corrected in medium and long terms, longer service term of directors shall make long-term planning, which can facilitate the continuity of the decisions.	It is suggested taking at least two terms of directors as the target working period, and listing it as one of the conditions for director appointment.

2. Self-assessment of board members

Item	Comments	Improvement Action Plan
Comprehensive Comments	All directors are competent enough, and set continuous professional development plans for themselves, which are believed to further improve the performance of the members' work.	NA
Suggestions	It shall consider how to make contribution for the enterprise after the current directors are retired.	It is suggested appointing them as the consultant or the members of Remuneration Committee.