

2017 Evaluation Result of the Performance of the Board of Directors and its Members

(Approved by the Board of Directors on Feb. 26th, 2018)

For the purpose of implementing corporate governance and enhancing the functions of the Board of Directors, Dynamic established the “Measures and Procedures of the Board Performance Evaluation” to regulate the company to carry out at least one internal board performance evaluation each year. The board should also be evaluated by an independent professional organization or an expert team externally for at least once every three years. In year 2015 and 2016, the company performed self-assessment for both the Board of Directors and each board member internally. Thus, the evaluation was performed by an external organization in year 2017.

After a thorough discussion, the company appointed EY Business Advisory Services Inc. (hereinafter referred to as EY) to perform the performance evaluation of the Board of Directors in 2017. The evaluation focused on three aspects: Structure, People, Process and Information. These three aspects were respectively reviewed by document review, self-assessment questionnaires and field interviews, which cover eight items: Board/committee structure and process, Board/committee composition, Legal entity and group structure, Roles and responsibilities, Behavior and culture, Director training and development, Oversight of control functions, Oversight of reporting, disclosure and performance.

For qualitative measuring indicators, EY conducts further evaluations in three phases: basis, advance and benchmark. After a comprehensive assessment, the Company's performances in the three major aspects are all on “advance” level. EY also provides recommendations on the company's Board of Directors. The Company will keep strengthening the functions of the Board of Directors based on this assessment result.