

# 2020 Performance Evaluation Result of the Board of Directors and Board Members

(2021.03.19 Evaluation completed; 2021.04.01 Approved by the Board of Directors)

Dynamic has established the "Board Performance Evaluation Methods and Procedures" to implement corporate governance and enhance the functions of the board of directors. It is stipulated that the company shall perform internal board performance evaluation at least once a year and appoint an external professional independent organization to perform the evaluation at least once every three years. In 2018 and 2019, the company conducted internal self-evaluation of the board of directors and each board member. Thus, an external organization was appointed to perform the evaluation in 2020.

In December 2020, the company appointed EY Business Advisory Services Inc (hereinafter referred to as EY) to conduct the 2020 performance evaluation of the board of directors. The external evaluation by EY was performed based on corporate operating results of three aspects, Structure, People, and Process and Information through document review, self-evaluation of directors, agenda working group self-evaluation, and individual interviews with each director. The contents covered eight projects including board structure and process, board composition, legal person and organizational structure, roles and responsibilities, behavior and culture, director training and development, risk control monitoring, and declaration, disclosure and performance supervision.

The evaluation result is divided into 3 aspects: Basic (conforming to the basic requirements of the competent authority and relevant regulations), Advanced (conforming to the basic requirements of the competent authority and related regulations, and having a complement of established effective practices, or actively improve the performance of this aspect), Benchmarking (not only superior to the basic requirements of the competent authority and related laws and regulations, but the actual practice is equivalent to the standard of a benchmarking model.) After a comprehensive evaluation, Dynamic Electronics' comprehensive performance level in terms of Structure, People, and Process and Information is "Advanced" .

EY summarized the evaluation as followings: Based on the performance evaluation of the board of directors, EY believes that Dynamic Electronics is possessed with a good and healthy board interaction culture, which is one of the essences of a high-performance board. Based on this sound foundation, it is hoped that the observations and advices provided by EY on the board members, operational practices, risk management and performance supervision of this evaluation will help the company and the board of directors to continuously optimize and become the benchmark of corporate governance and board performance in the industry.

The following action plans are drawn up based on EY' s improvement advices on the company' s board of directors:

Item No.	Advices	Action plan	Unit in charge	Estimated date of completion
1	In response to the tightening of global anti-money laundering and supervision laws, it is recommended that the company continue to strengthen legal and overseas laws and regulations and follow professional assistance and professional investment, hire legal professionals required for risks control, and consider electing professional directors with legal expertise in the future.	Train the company's legal personnel to possess the professional knowledge required for risks handling.	Legal Office	2021 Dec.
		Nominate professional directors with legal expertise in 2021 shareholders meeting.	Nomination Committee	2021 Apr.
2	It is recommended that the board of directors and functional committees include important domestic and foreign policies, regulations, various emerging risks, and	A major topic shall be selected every quarter and the responsible personnel will report it to the board of directors. The reporting time is tentatively set		

	<p>development trends of the industry in all periodical or non-periodical reporting, so that board members can fully understand the company's current situation and future strategic development directions and propose subjects for future meetings. The proportion should be adjusted based on the company's operational development needs to ensure the appropriateness and effectiveness of the overall mid- and long-term risk management and resource allocation.</p>	<p>for 1 hour to help directors better understand the company's operating status and future development direction.</p>	<p>Agenda Working Group</p>	<p>2021 May Implementation starting by the board of directors.</p>
3	<p>It is recommended that the agenda working group regularly collect and sort out the major feedback and suggestions from institutional investors. Report the contents of the feedback to the directors and analyze the feasibility of the suggestions, which help directors to better perform their supervision functions as well as protecting the rights and interests of shareholders and investors.</p>	<p>We hold Investor Conference quarterly to collect questions and suggestions from investors and respond to them. In the future, feedback and suggestions from the institutional investors will be collected regularly, critical issues will be reported to the board of directors.</p>	<p>Investor relationship</p>	<p>Implementation starting time</p>
4	<p>It is recommended that the company arrange the director's advanced learning and development plan by providing courses and training hours that are better than the</p>	<p>Meeting with each director to frame the required professional knowledge and development plan to boost his/her function.</p>		<p>2021 Aug.</p>

	required learning contents and hours by the competent authority. Arrange the required courses that match each director's field or expertise, so that directors will not only strengthen their own professional fields, but also broaden the professional knowledge required to better perform the functions of directors.	Search for relevant courses for directors' reference.	Agenda working group	2021 Dec.
5	It is recommended that the Risk Management Committee follow Dynamic's organizational and business goal to put forward an annual plan for dynamic risk management to give the company better insight into the advantages and disadvantages of its strategy under environmental changes, and to complete the company's mission and vision more strategically.	The Risk Management Committee will identify major risk items upon the setup of quarterly organization and business goals. Conduct a rolling review of the corresponding risk management plan to provide the board of directors with ability to respond to space-time changes and the insight into opportunities and risks to ensure the effectiveness of the risk management plan.	Risk Management Committee	2021 Apr. Implementation starting time.