
 Dynamic Electronics Co., Ltd.	Management Method	Number		
		Edition	First	
	Method and Procedures of Board of Directors Performance Assessment	Page	Page 1 of 4	
		Date set	August 10, 2014	

- Article 1 (Set objectives and basis)
This evaluation method has been established to implement corporate governance, improve the function and operational performance of this company's board of directors, and set performance objectives based on Article 37 of this company's Corporate Governance Code of Practice. Appropriate evaluation methods can be set for different unit.
- Article 2 (Specifications to be followed)
The evaluation cycle, period, scope and method for this company's board of directors' performance evaluation method, the unit implementing the evaluation, the evaluation procedure, and other procedural items shall be processed according to this method.
The regulations for each functional committee shall include specifications for an annual internal committee performance evaluation.
- Article 3 (Evaluation cycle and period)
This company's board of directors shall implement at least one internal board of directors' performance evaluation. The internal evaluation period for the board of directors should at the end of each year, and the performance evaluation shall be conducted according to the evaluation procedures and indicators stated in Article 6 and 8.
This company's board of directors' performance evaluation shall be implemented by a professional independent organization or external expert scholar team once every three years. The performance evaluation for the current year shall be conducted at the end of each year.
The board of directors' internal and external performance evaluation results shall be completed before the first board of directors' meeting convened for the following year.
- Article 4 (Evaluation scope and method)
The evaluation scope for this company's board of directors' evaluation includes the overall board of directors, individual board members, and performance evaluation for functional committees.
Evaluation methods include the board's internal assessment, board member's self-assessment, peers evaluation, and performance evaluation outsourced to external professional organizations or experts, or other appropriate methods.
- Article 5 (Unit implementing the evaluation)
Unit implementing this company's internal board of directors' performance evaluation shall clearly understand the operational status of the unit being evaluated, and shall play a fair, objective, and independent role.
Because the operational status of each functional committee is different, different units can be used to implement the evaluation depending on the company's department organizational structure. The unit implementing the evaluation shall be fair and objective, and shall not include persons or units that have a direct stake in the operation of the unit being evaluated. If the company has a governance committee or nomination committee composed

 Dynamic Electronics Co., Ltd.	Management Method	Number		
		Edition	First	
	Method and Procedures of Board of Directors Performance Assessment	Page	Page 2 of 4	
		Date set	August 10, 2014	

of independent directors, these committees shall be the units that implement the evaluations.

Article 6 (Evaluation process)

The procedure for this company's board of directors' performance evaluation is described as follows:


1. Establish the unit being evaluated that year and the scope [such as the overall board of directors (functional committee), individual board members, and various functional committees].
2. Establish the evaluation method (such as the board of directors' internal self-assessment, board member (self or peers) self-assessment, peer evaluation, and evaluation commissioned to external professional organizations and experts).
3. Select appropriate evaluation implementation units.
4. At the end of each year each implementation unit shall collect relevant information on the board's activities and distribute and fill out the Board of Directors (functional committee) Performance Self-Assessment Questionnaire (attached table 1) or the Board Member (self or peers) Self-Assessment Questionnaire (attached table 2). Finally, the collections unit or the secretariat of the board of directors shall collect the information and record the evaluation results according to evaluation indicator scoring measures in Article 8. The results of the assessment shall be submitted to the board of directors for discussion and improvement purposes.

Article 7 (External professional organizations and experts)


External evaluation organizations or external expert scholar teams commissioned by this company shall conduct the board of directors performance evaluation according to the following principles:

External evaluation organizations refer primarily to organizations or management consultation companies that have been commissioned for board of directors related training and to improve company's corporate governance or other related services.

External expert scholar teams shall hire at least three experts or scholars in the field of board of directors or corporate governance to evaluate the implementation performance of the company's board of directors, and to write the external evaluation analysis report.

 Dynamic Electronics Co., Ltd.	Management Method	Number		
		Edition	First	
	Method and Procedures of Board of Directors Performance Assessment	Page	Page 3 of 4	
		Date set	August 10, 2014	

- Article 8 (Evaluation indicators and scoring standards)
This company shall set performance evaluation items for the board of directors' (functional committee) performance evaluation based on the company's situation and requirements. Items shall include at least the five following aspects:
1. Level of participation in company operations
 2. Improve the board of directors' decision quality
 3. Board of directors' composition and structure
 4. Directors' appointment and continual education
 5. Internal control
- Board member's (self or peer) performance evaluation assessment items shall include at least the six following aspects:
1. Grasp of company objectives and tasks
 2. Recognition of director responsibilities
 3. Level of participation in company operations
 4. Internal relation management and communication
 5. Directors' specialty and continual education
 6. Internal control
- This company's performance evaluation implementation content (board of directors' performance evaluation indicators) shall be based on this company's operations and requirements.
Scoring standards shall be revised or adjusted based on company requirements, and scores can use weighted scoring for different aspects.
- Article 9 (Reference for director selection for the board of directors)
When this company's board of directors select or nominate independent directors, the performance evaluation result for independent directors shall be used as a reference for the selection.
- Article 10 (Annual report information disclosure)
This company shall disclosed in the annual report whether the evaluation method has been set for the board of directors' performance evaluation. The implementation status and evaluation method for the annual board of directors' performance evaluation shall also be disclosed.
If this company commissions external organization or experts to implement the board of directors' performance evaluation, the external evaluation organization, expert's name, and expert's specialty shall be disclosed in the annual report. The annual report shall state whether the external organization or expert has business interactions with this company and whether they remain independent.
- Article 11 (Disclosure method)
The performance evaluation method set by this company shall be sufficiently disclosed on the market observation post system and company website for archiving.
- Article 12 (Implementation)
This regulation shall be implemented after approval by the board of

 Dynamic Electronics Co., Ltd.	Management Method	Number	
		Edition	First
	Method and Procedures of Board of Directors Performance Assessment	Page	Page 4 of 4
		Date set	August 10, 2014

directors. Same with any revisions and amendments.