



DELPHA CONSTRUCTION CO., LTD.

## Board Performance Evaluation Procedures

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### Chapter 1 – General Provisions

#### Article 1. Purpose and Basis

This Evaluation Measures is established in accordance with Article 37 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the Company's “Corporate Governance Best-Practice Principles,” with the aim of enhancing corporate governance, improving the functioning of the Board of Directors, and establishing performance goals to strengthen operational efficiency of the Board.

#### Article 2. Applicable Measures

This Evaluation Measures governs the evaluation cycle, period, scope, methods, responsible units, procedures, and other compliance requirements for the performance evaluation of the Board of Directors.

Each functional committee’s charter shall include provisions requiring the committee to conduct an internal performance evaluation at least once annually.

#### Article 3. Evaluation Cycle and Period

The Company shall conduct an internal performance evaluation of the Board of Directors annually in accordance with the procedures and indicators specified in Articles 6 and 8.

In addition, the performance evaluation of the Board shall be conducted by an external professional independent organization or team of experts and scholars at least once every three years.

The results of both internal and external evaluations shall be completed before the end of the first quarter of the following year.

In the year of Board re-election, evaluations of both the outgoing and newly elected Boards shall be conducted before the re-election and at the end of the year, respectively.

#### Article 4. Evaluation Scope and Methods

The scope of the evaluation includes the overall performance of the Board of Directors, individual directors, and functional committees.



Evaluation methods may include internal self-assessments by the Board, self-assessments by individual directors, assessments by external professional institutions or experts, or other appropriate methods.

#### **Article 5. Executing Unit**

The Corporate Governance Unit shall be the designated executing unit responsible for conducting performance evaluations of the Board of Directors and its functional committees.

#### **Article 6. Evaluation Procedures**

At the end of each fiscal year, the executing unit shall collect information related to Board activities and distribute self-assessment questionnaires, including the “Board Performance Self-Evaluation Questionnaire,” “Individual Director Performance Self-Evaluation Questionnaire,” “Audit Committee Performance Self-Evaluation Questionnaire,” “Remuneration Committee Performance Self-Evaluation Questionnaire,” and “Ethical Corporate Management Committee Performance Self-Evaluation Questionnaire,” as set forth in Appendices 1 through 5.

Upon collection of the completed questionnaires, the executing unit shall compile the evaluation results in accordance with the scoring criteria under this Measures, and submit the performance evaluation report to the Board of Directors for review and improvement.

#### **Article 7. External Professional Institutions and Experts**

When arranging for an external institution or expert team to perform the Board performance evaluation, the Company shall ensure the following requirements are met:

1. The external institution or team of experts must possess both professionalism and independence.
2. The external institution shall primarily be one that provides Board-related training courses, corporate governance enhancement services, or is a management consulting firm.
3. The external team of experts or scholars shall consist of at least three professionals or scholars with expertise in board governance or corporate governance, who shall evaluate the Company’s Board performance evaluation practices and issue an external assessment analysis report.

#### **Article 8. Evaluation Indicators and Scoring Standards**

The Company shall establish performance evaluation metrics for the Board of Directors in accordance with its operational circumstances and practical needs. The evaluation shall encompass at least the following five dimensions:



1. Level of participation in the Company's operations.
2. Quality of decision-making by the Board.
3. Composition and organizational structure of the Board.
4. Selection and ongoing training of directors.
5. Effectiveness of internal controls.

The self-assessment indicators for individual directors shall include at least the following six aspects:

1. Understanding of the Company's goals and missions.
2. Awareness of director's duties.
3. Level of participation in the Company's operations.
4. Management of internal relationships and communication.
5. Professional competence and continuing education.
6. Awareness and oversight of internal control mechanisms.

The performance evaluation of functional committees shall include at least the following five aspects:

1. Level of participation in the Company's operations.
2. Understanding of committee responsibilities.
3. Quality of decision-making within the committee.
4. Composition of the committee and selection of its members.
5. Internal control.

The evaluation adopts a five-tier scoring scale, with the rating criteria explained in the table below:

**Score Description**

5	Strongly Agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

The evaluation results for the Board, individual directors, and functional committees shall be based on the "average score" for each of the dimensions. (Rounded to two decimal places using standard rounding.)

**Interpretation of Scoring Results:**



Average Score	Result
5.00–4.01	Good
4.00–3.01	Fair
Below 3.00	Needs Improvement

Performance evaluation indicators shall be tailored to the Company's operational characteristics and strategic needs. The Remuneration Committee, in coordination with the executing unit, shall periodically review these indicators and propose recommendations for improvement.

#### **Article 9. Application of Evaluation Results**

The results of the Board of Directors' performance evaluation shall serve as a reference for the selection or nomination of directors.

#### **Article 10. Disclosure in Annual Report**

The Company shall disclose the implementation of the Board's annual performance evaluation in its annual report. The disclosure shall at least include the evaluation cycle, evaluation period, evaluation scope, evaluation methods, and evaluation content.

If the evaluation is conducted by an external institution or expert, the annual report shall disclose the names and professional qualifications of the institution, experts, and team members involved, as well as a statement of their independence. The report shall also describe the evaluation methods, standards, and recommendations for future improvements.

#### **Article 11. Disclosure Method**

This Performance Evaluation Measures shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's official website for public reference.

### **Chapter 2 – Supplementary Provisions**

#### **Article 12. Approval**

This Measures shall take effect upon approval by the Board of Directors. The same shall apply to any amendments thereto.

#### **Article 13.**

This Measures was first established on November 12, 2019, and took effect on January 1, 2020. The first amendment was made on November 11, 2020.



The second amendment was made on November 11, 2022.