

Evaluation Result of the Performance of the Board of Director of year 2021

I. Rules of Performance Evaluation of the Board of Directors

In order to implement corporate governance and elevate the function of the Board of Director of CHANG HWA COMMERCIAL BANK, LTD. (“the Bank”), The Rules of Performance Evaluation of the Board of Directors (“the Rules”) is adopted by the 14th meeting of the 24th term Board of Directors on December 25, 2015 in accordance with Article 37 of the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies", and were amended and approved by 30th meeting of the 25th term Board of Directors on November 12, 2019 and the 5th meeting of the 26th term Board of Directors on October 20, 2020 after enactment.

According to the Rules, the Bank shall conduct the Board of Director performance evaluation at the end of each year according to the evaluation procedures and indexes set in the Rules, and an external evaluation conducted by independent professional institution or a panel of external experts and scholars at least once every three years. The evaluation shall be completed before the end of the first quarter of the following year and the results of the evaluation shall be reported to the Board of Director.

II. Evaluation Result of the Performance of the Board of Director (including the Functional Committees) of year 2021

The Bank entrusted EY Business Advisory Services Inc. (“EY”) to conduct the external performance evaluation of the Board of Director (including the Functional Committees) of year 2021.

The members of EY are experienced experts in corporate governance, risk management, ESG and other

aspects. EY and its experts are independent, professional, and are 't finances and tax auditing accountant of the Bank.

A. Evaluation term

2021.1.1~2021.12.31

B. Evaluation scope

The performance evaluation of the Bank's Board of Director of year 2021 includes the entire Board of Director, the Functional Committees (including the Audit Committee, the Remuneration Committee and the Sustainable Development Committee), and individual members of the Board of Director.

【Operations of the 26th term Board of Director and Functional Committees】

The 26th term Board of Director												
Name	The Board of Director			The Audit Committee			The Remuneration Committee			The Sustainable Development Committee		
	Inauguration day	Attendance	Title	Inauguration day	Attendance	Title	Inauguration day	Attendance	Title	Inauguration day	Attendance	Title
Ling, Jong-Yuan	2020.06	100%	Chairperson (convener)	-	-	-	-	-	-	2020.07	100%	Convener
Chou, Chao-Chung	2021.03	100%	Managing Director	-	-	-	-	-	-	2021.04	100%	Committee member
Pan, Jung-Chun	2020.06	100%	Managing Director (Independent Director)	2020.06	100%	Independent Director (convener)	2020.07	100%	Convener	2020.07	100%	Committee member
Lin, Jong-Hong	2020.06	93.33%	Independent Director	2020.06	100%	Independent Director	-	-	-	2020.07	100%	Committee member
Suen, Chih- Jong	2020.06	100%	Independent Director	2020.06	100%	Independent Director	2020.07	100%	Committee member	2020.07	100%	Committee member

Chen, Hwai-Chou	2020.06	93.33%	Director	-	-	-	-	-	-	-	-	-
Hsiao, Chia-Chi	2020.06	100%	Director	-	-	-	-	-	-	-	-	-
Chang, Chien-Yi	2020.06	86.67%	Director	-	-	-	-	-	-	-	-	-
Lee, Wen-Siung	2020.06	100%	Director	-	-	-	-	-	-	-	-	-
Wu, Yu-Xue	-	-	-	-	-	-	2020.07	100%	Committee member	-	-	-
Huang, Jui-Mu	2020.06 (discharge on 2021.03)	100%	Managing Director	-	-	-	-	-	-	2020.07 (discharge on 2021.03)	100%	Committee member

C. Evaluation method and Result of self-evaluation

The evaluation was conducted through review documents, self-evaluation questionnaire survey and on-site visit.

【Result of self-evaluation】

Classification	Evaluation criteria	Result
The Board of Director	(I) Comprehension of the goals and missions of the Bank. (II) Awareness of the duties of a director. (III) Participation in the operation of the Bank. (IV) Internal management and communication. (V) Professionality and continuing education of Directors. (VI) Internal control. (VII) ESG Implementation (environmental protection, inclusive society, sustainable governance)	Advanced

The Functional Committees (including the Audit Committee, the Remuneration Committee and the Sustainable Development Committee)	(I) Participation in the operation of the Bank (including improvement of quality of decisions made by the functional committee, and makeup of the functional committee and election of its members). (II) Awareness of the duties of the functional committee (including makeup of the functional committee and election of its members). (III) Internal control.	Leader
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D. Evaluation content

There are eight major aspects to evaluate the performance of the Board of Director which are: “structure and process of the Board of Director”, “composition of the Board of Director”, “legal entity and group structure”, “roles and responsibilities”, “behavior and culture”, “director training and development”, “supervision of risk control”, and “supervision of declaration, disclosure and performance”.

E. Evaluation criteria

Standard grading level according to EY experts are Basic, Advanced and Leader.

F. Results

The Bank’s evaluation result of the Board of Director of year 2021 assessed by EY were all appraised as "Advanced" in "Structure", "People" and "Process and Information".

G. Recommendations and Improvements:

	Structure	People	Process and Information
Recommendations from EY	Setting specific management goals in diversity policy of the Board of Director, such as engage directors with abilities meet the Bank's future development and increase the number of female directors.	To increase indexes of self-evaluation of performance, such as strengthen the links between ESG goals, performance and remuneration of the Bank, including filling in specific contributions and strengthen ESG-related indexes.	For the achievement of the Bank 's sustainable development goals, the Bank could continuously evaluate the impact of ESG on it's business and financial performance, such as strengthening the transparency of information; adopting policies such as signing the Equator Principles, promoting Green Finance and Inclusive Financing.
Improvements of the Bank	The Bank will continue to achieve the specific management objectives of the Board of Directors' diversity in accordance with the " Diversification of board members " measures of the Financial Supervisory	According to the Rules, the Bank shall review the indexes for the evaluation of the Board of Director (including the Functional Committees) regularly, conform to the practical operations and needs of the	Disclosing information in accordance with applicable regulations, GRI, SASB, TCFD, signing the Equator Principles, developing continually green finance and financial products, and promoting Inclusive Financing, were in the sustainable development action plan of 2022 of the Bank, which

	Commission's " Corporate Governance 3.0 - Sustainable Development Roadmap ".	Bank. The Bank will strengthen the current evaluation indexes which is about ESG implementation and add other related indexes .	was approved by the Sustainable Development Committee and the Board of Director.
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H. Report the evaluation results to the Board of Director

The results of external evaluation performance of the Board of Director (including the Functional Committees) of year 2021 were reported to the 22th meeting of the 26th term Board of Directors on January 24,2022.