

# **Taiwan FamilyMart Co., Ltd**

## **Rules for Performance Evaluation of Board of Directors**

### **Article 1 (Purpose and Basis of Formulation)**

In order to implement corporate governance and enhance the functions of the Company's Board of Directors, and to establish performance goals to strengthen the operational efficiency of the Board of Directors, these Measures are hereby formulated in accordance with Article 18 of the "Guidelines for the Establishment and Exercise of Powers by the Board of Directors of Listed Companies of the Gre Tai Securities Market", Article 37 of the "Corporate Governance Best Practice Principles for Listed and OTC Companies", and Article 36 of the Company's "Corporate Governance Best Practice Principles"

### **Article 2 (Applicable Norms)**

The performance evaluation of the Company's Board of Directors, its main evaluation cycle, evaluation period, evaluation scope and methods, evaluation execution unit, evaluation procedures and other matters to be followed shall be handled in accordance with the provisions of these Measures.

### **Article 3 (Evaluation Cycle and Period)**

The Company's Board of Directors shall conduct an internal performance evaluation of the Board of Directors each year in accordance with the evaluation procedures and evaluation indicators set forth in Articles 6 and 8 of these Measures.

The Company's Board of Directors' performance evaluation should be conducted by an external professional independent organization or a team of external experts and scholars (hereinafter referred to as the "external evaluation unit") at least once every three years. The results of the internal and external performance evaluations of the Board of Directors shall be completed before the end of the first quarter of the year following the year under evaluation.

### **Article 4 (Scope and Methods of Evaluation)**

The scope of the Company's Board of Directors' evaluation includes the performance evaluation of the Board of Directors as a whole, individual directors, and functional committees.

The evaluation methods include self-assessment by the Board of Directors and functional committees, self-assessment by directors, or other appropriate methods of performance evaluation.

### **Article 5 (Evaluation Execution Unit)**

The performance evaluation of the Company's Board of Directors and functional committees shall be handled by the responsible secretariat unit.

In the case of outsourcing the evaluation, the secretariat unit mentioned in the preceding paragraph shall provide the external evaluation unit with necessary information and assistance.

Matters such as the external evaluation unit, the timing of the evaluation, and the evaluation methods shall be authorized by the Chairman of the Board. If an external performance evaluation has been conducted in the current year, the internal performance evaluation may be exempted.

#### Article 6 (Evaluation Procedures)

The performance evaluation procedures for the Company's Board of Directors and functional committees are as follows:

1. Determine the period, scope, and methods of evaluation for the current year.
2. In the case of internal self-assessment, the executing unit shall collect relevant information on the Board of Directors and functional committees, and distribute the following self-assessment questionnaires to the directors and committee members for completion. The executing unit shall then compile the evaluation results and submit them to the Board of Directors and functional committees for reference in review and improvement.
  - (1) 、 Board of Directors Performance Evaluation Self-Assessment Questionnaire (Appendix 1): Each director's performance evaluation of the Board of Directors as a whole
  - (2) 、 Director Performance Evaluation Self-Assessment Questionnaire (Appendix 2): Each director's performance evaluation of his/her own performance
  - (3) 、 Audit Committee Performance Evaluation Self-Assessment Questionnaire (Appendix 3): Committee members' performance evaluation of the Committee
  - (4) 、 Remuneration Committee Performance Evaluation Self-Assessment Questionnaire (Appendix 4): Committee members' performance evaluation of the Committee
3. In the case of outsourcing the Board of Directors' performance evaluation, the evaluation procedures, indicators, standards, and results shall be handled in accordance with the plans of the external evaluation unit, and the secretariat unit of the Board of Directors shall submit the external evaluation results and analysis report to the Board of Directors for reference in review and improvement.

#### Article 7 (External Professional Organizations/Experts)

If the Company engages an external evaluation unit to conduct the Board of Directors' performance evaluation, the external evaluation unit shall comply with the following provisions:

1. It shall be professional and independent
2. The external evaluation organization shall mainly be an organization or management consulting firm that undertakes services related to board of directors-related training courses and the promotion of corporate governance.
3. The external expert and scholar team shall be composed of at least three experts or scholars in the field of board of directors or corporate governance

After completing the performance evaluation of the Board of Directors, the external evaluation unit shall issue an analysis report on the evaluation results.

#### Article 8 (Evaluation Indicators and Scoring Standards)

The Company shall establish performance evaluation measurement items for the Board of Directors in consideration of the Company's circumstances and needs, and shall include at least the following five aspects:

1. Degree of participation in the Company's operations
2. Improvement of the decision-making quality of the Board of Directors
3. Composition and structure of the Board of Directors
4. Selection and continuing education of directors
5. Internal control

The measurement items for the performance evaluation of directors shall include at least the following six aspects:

1. Grasp of the Company's goals and missions
2. Awareness of directors' responsibilities
3. Degree of participation in the Company's operations
4. Cultivation of internal relationships and communication
5. Directors' professionalism and continuing education
6. Internal control

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

1. Degree of participation in the Company's operations

2. Awareness of the responsibilities of the functional committee
3. Improvement of the decision-making quality of the functional committee
4. Composition of the functional committee and selection of members
5. Internal control

The performance evaluation indicators shall be formulated in accordance with the Company's operations and needs and shall be consistent with and suitable for the Company's performance evaluation.

The scoring standards shall be based on the results of the responses to each evaluation item, and the scores shall be weighted and divided into five levels: excellent, good, fair, average, and needs improvement. However, the performance evaluation results of the Board of Directors and functional committees shall be based on the arithmetic average of the individual scores of each director and committee member.

#### Article 9 (Use of Evaluation Results)

The results of the Company's Board of Directors' performance evaluation shall be used as a reference for the selection or nomination of directors; and the results of the individual directors' performance evaluation shall be used as a reference for determining their individual remuneration.

#### Article 10 (Disclosure of Information in the Annual Report)

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

If the Company entrusts an external organization or expert to conduct the Board of Directors' performance evaluation, it shall disclose in its annual report the external organization or expert and its team members and professional description, as well as the independence statement of the external evaluation organization or expert, and explain the evaluation methods, standards, and recommendations for future improvement.

#### Article 11 (Disclosure Methods)

The performance evaluation measures formulated by the Company shall be fully disclosed on the Market Observation Post System and the Company's website for inquiry.

#### Article 12 (Implementation and Date of Formulation)

These Measures shall be implemented after being discussed and approved by the

Board of Directors, and the same shall apply to amendments.

These Measures were formulated on November 8, 2019, and the first amendment was made on November 6, 2020.