

Fitipower Integrated Technology Inc. Rules for Performance Evaluation of Board of Directors

Article 1 Purpose and Basis:

To implement corporate governance and enhance the functionality of the Board of Directors, this regulation is established to set performance goals for strengthening the efficiency of the Board of Directors, pursuant to Article 37 of the Corporate Governance Best Practice Principles for Listed and OTC Companies. The Company should formulate a Board of Directors' performance evaluation method in accordance with this regulation and relevant provisions, and may separately establish appropriate evaluation methods for different evaluation units.

Article 2 Compliance Norms:

The performance evaluation method of the Board of Directors should comply with the provisions of this regulation concerning the evaluation cycle, evaluation period, evaluation scope and methods, executing units, evaluation procedures, and other matters that should be followed.

Article 3 Evaluation Cycle and Period:

The Board of Directors of the Company should conduct internal performance evaluations annually based on the procedures and indicators in Articles 6 and 8. The execution of the Board of Directors' performance evaluation should be conducted at least once every three years by external independent institutions or teams of external professional scholars. The results of internal and external performance evaluations should be completed by the end of the first quarter of the following year.

Article 4 Evaluation Scope and Methods:

The scope of the Company's Board of Directors' evaluation includes the overall Board of Directors, individual directors, and the performance evaluation of functional committees. Evaluation methods include internal self-assessment of the Board of Directors, self-assessment of directors, peer review, delegation to external professional institutions, experts, or other appropriate methods.

Article 5 Executing Unit of Evaluation:

The internal execution unit for the Board of Directors' performance evaluation of the Company should have a clear understanding of the operation of the unit being evaluated and should have a fair, objective, and independent role.

Article 6 Evaluation Procedures:

The procedures for the Board of Directors' performance evaluation of the Company are as follows:

Establish the units, period, and scope to be evaluated for the current year.

Establish the evaluation method.

Select an appropriate evaluation executing unit.

The executing unit collects information on Board of Directors activities, distributes self-assessment questionnaires to the Board of Directors, and finally, the coordinating executing unit compiles the evaluation results report based on the evaluation criteria in Article 8 for submission to the Board of Directors for review and improvement.

Article 7 External Professional Institutions, Experts:

The Company arranges for external evaluation institutions or teams of external professional scholars to conduct the Board of Directors' performance evaluation.

These entities should meet the following requirements:

External evaluation institutions or external experts and scholar teams should possess professionalism and independence.

External evaluation institutions are primarily institutions or management consulting companies that undertake related education and training courses on the Board of Directors, and services to enhance corporate governance.

External experts and scholars teams should appoint experts or scholars in the field of the Board of Directors or corporate governance to evaluate the execution of the Company's Board of Directors' performance evaluation and prepare an external evaluation analysis report.

Article 8 Evaluation Indicators and Scoring Criteria:

The Company should consider the situation and needs of the company to establish performance evaluation items for the Board of Directors, and it should include at least the following five major aspects:

Participation in the company's operations.

Enhancement of the quality of the Board of Directors' decision-making.

Composition and structure of the Board of Directors.

Nomination and continuous education of directors.

Internal control.

For the evaluation of directors (self or peer), it should include at least the following six major aspects:

Understanding of the company's goals and missions.
Recognition of director responsibilities.
Participation in the company's operations.
Internal relationship management and communication.
Professionalism and continuous education of directors.
Internal control.
The performance evaluation of the audit committee and the compensation committee should include at least the following five major aspects:

Participation in the company's operations.
Recognition of the responsibilities of the functional committee.
Enhancement of the decision-making quality of the functional committee.
Composition and member appointment of the functional committee.
Internal control.
Indicators for the Board of Directors' performance evaluation should be based on the company's operation and needs, and should be regularly reviewed and proposed by the compensation committee. The scoring criteria can be adjusted and modified according to the company's needs, and scoring can be done by weighting each aspect.

Article 9 Utilization of Evaluation Results:

The results of the Board of Directors' performance evaluation of the Company should be used as a reference for the selection or nomination of directors. The individual director's performance evaluation results should be used as a reference for determining their individual compensation.

Article 10 Annual Report Information Disclosure:

The Company should disclose the execution of the Board of Directors' performance evaluation in the annual report, including at least the evaluation cycle, evaluation period, evaluation scope, evaluation methods, and evaluation content. If the Company commissions external organizations or experts to conduct the Board of Directors' performance evaluation, it should disclose information such as the external evaluation institution, experts and their team members, expert qualifications, and an independence statement. The disclosure should also include the evaluation methods, standards, and future improvement suggestions.

Article 11 Disclosure Method:

The performance evaluation method formulated by the Company should be fully disclosed on the Taiwan Stock Exchange and the Company's website for inquiry.

Article 12 Implementation:

This regulation shall be implemented after being discussed and approved by the Board of Directors, and the same applies to amendments.

Article 13 Effective Date:

This regulation is enacted on May 12, 2020. First amendment on February 25, 2021.
Second amendment on December 26, 2023.