

**Advantech Co., Ltd.**  
**Board Performance Evaluation Rules**

**Article 1**

To implement corporate governance and enhance the Company's board functions, and to set performance objectives to improve the operation efficiency of the Board of Directors, these Rules are established for compliance pursuant to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

**Article 2**

The general evaluation cycles, evaluation periods, scope and method of evaluation, the unit conducting evaluations, evaluation procedures, and other matters for compliance under the Company's regulations governing the board performance evaluation shall be subject to these Rules.

**Article 3**

The Company's Board of Directors shall conduct a board performance evaluation once every year, within three months after the end of each year.

The evaluation shall be conducted by a third-party professional institution at least once every three years.

**Article 4**

The Company's annual board performance evaluation shall cover the self-assessment of the Board as a whole, functional committees, and individual directors.

**Article 5**

The criteria for evaluating the performance of the Company's Board of Directors should cover the following six aspects:

1. Participation in the operation of the company;
2. Improvement of the quality of the Board of Directors' decision-making;
3. Composition, structure, and support of the Board of Directors;
4. Election of directors, board supervision and risk management, self-discipline of the Board of Directors, and assistance with the continuing education of Directors;
5. Effectiveness of the company's internal control mechanisms; and
6. Corporate sustainable operations.

The criteria for evaluating the performance of Board Members (on themselves or as peers), should cover the following aspects and be adjusted to company requirements, as appropriate:

1. Understanding of the company's goals and missions (including understanding the nature of the company's business and the phase-based tasks of the Board of Directors);
2. Awareness of the duties of a Director and duty performance;
3. Participation in the operation of the company;

4. Management of internal relations and communication (including but not limited to communication with senior managers and members of the Board);
5. The Director's professionalism, self-discipline, and continuing education; and
6. Internal control mechanisms.

The criteria for evaluating the performance of the functional committee shall cover the following aspects and be adjusted to company requirements, as appropriate:

1. Participation in the operation of the company;
2. Awareness of the duties of the functional committee;
3. Improvement of the quality of decisions made by the functional committee;
4. Composition of the functional committee and election of its members; and
5. Internal control mechanisms.

Board performance evaluation indicators shall be determined based on the operation and needs of the Company and be suitable and appropriate for evaluations by the company, subject to regular reviews by and constructive comments from the remuneration committee. Scoring criteria may be revised and adjusted as needed. A weighted scoring method may be adopted depending on the aspects of the evaluation.

#### **Article 6**

The results of the Company's board performance evaluation shall be summarized and subject to review and inspection at a meeting of the Board of Directors. The evaluation results shall also serve as the basis for distributing a Director's remuneration for the year.

#### **Article 7**

The Company's Board Performance Evaluation Rules and annual evaluation results shall be disclosed on the Market Observation Post System (MOPS) and in the Company's annual reports, as appropriate.

#### **Article 8**

These Rules shall take effect after having been discussed and approved by the Board of Directors. Subsequent amendments thereto shall be applied in the same manner.

#### **Article 9**

These Rules were established on March 6, 2015.

Amendment 1 was made on May 25, 2016.

Amendment 2 was made on October 31, 2017.

Amendment 3 was made on August 2, 2019.