

VSO ELECTRONICS CO., LTD.

Board Performance Evaluation Procedures

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

Article 1 (Purpose and Basis)

To implement corporate governance, enhance the functionality of the Company's board, and establish performance goals to improve the efficiency of board operations, these procedures are established in accordance with Article 37 of the Corporate Governance Best Practice Principles for Listed Companies.

Article 2 (Compliance Requirements)

The board's performance evaluation, including evaluation cycle, period, scope, method, executing unit, and procedure, shall be conducted according to these procedures. Functional committees shall include in their organizational rules the requirement to conduct at least one internal evaluation annually.

Article 3 (Evaluation Cycle and Period)

The board shall conduct an internal performance evaluation annually, according to the procedures and indicators specified in Articles 6 and 8, and complete the internal and external board performance evaluation by the end of the first quarter of the following year.

Article 4 (Scope and Method of Evaluation)

The evaluation scope includes the entire board, individual board members, and functional committees. Evaluation methods include internal self-evaluation, individual self-assessment, peer evaluation, and performance evaluation by external professional organizations or experts.

Article 5 (Evaluation Executing Unit)

The executing unit for the Company's internal board performance evaluation shall have a clear understanding of the operations of the unit being evaluated and must maintain a fair, objective, and independent role.

For functional committee evaluations, since the operations of each functional committee may vary, the executing unit may be adjusted according to the organizational structure of the Company's departments. This executing unit should act impartially and objectively and be free from any direct interest with the unit being evaluated. If the Company has a corporate governance or nomination

committee comprised of independent directors, it is advisable for that committee to serve as the executing unit for evaluations.

Article 6 (Evaluation Procedure)

The board performance evaluation procedure includes the following steps:

1. Determine the unit, period, and scope of evaluation for the year (such as the entire board, individual members, and each functional committee).
2. Establish the evaluation method (e.g., internal self-evaluation, self-assessment or peer evaluation of board members, or external professional or expert evaluation).
3. Select the appropriate executing unit.
4. Each executing unit gathers relevant information on board activities and distributes the "Board Performance Self-Evaluation Questionnaire," "Board Member Performance Self-Evaluation Questionnaire," or "Functional Committee Performance Self-Evaluation Questionnaire." The results are then compiled and reported to the board for review and improvement.

Article 7 (External Professional Organizations and Experts)

If an external evaluation agency or team of experts is arranged to conduct the board performance evaluation, they shall meet the following requirements:

1. The external evaluation agency or team must demonstrate professionalism and independence.
2. The agency should primarily provide services related to board training and corporate governance enhancement.
3. The team of external experts shall include at least three specialists in board or corporate governance, who will assess the implementation of the board's performance and prepare an external evaluation analysis report.

Article 8 (Evaluation Indicators and Scoring Standards)

The board performance evaluation shall consider the Company's circumstances and needs, covering at least the following five areas:

1. Participation in the Company's operations.
2. Improvement of board decision-making quality.
3. Board composition and structure.
4. Election and ongoing training of directors.
5. Internal control.

Individual board member evaluations should include at least the following six areas:

1. Understanding of corporate goals and missions.
2. Awareness of director responsibilities.
3. Participation in the Company's operations.
4. Internal relationship management and communication.
5. Expertise and continued development.
6. Internal control.

Functional committee evaluations should include at least the following five areas:

1. Participation in the Company's operations.
2. Awareness of functional committee responsibilities.
3. Enhancement of decision-making quality in the functional committee.
4. Composition and member selection of the functional committee.
5. Internal control.

The indicators for the board performance evaluation shall be set in line with the Company's operations and needs, with regular review and suggestions from the Remuneration Committee. The scoring standards may be adjusted based on the Company's needs, and weighted scoring can be applied to various evaluation aspects.

Article 9 (Use of Evaluation Results)

The results of the board performance evaluation shall serve as a reference for the selection or nomination of directors and independent directors, and the performance evaluation of individual directors (excluding independent directors) shall be used as a basis for determining their respective remuneration.

Article 10 (Annual Report Disclosure)

The Company shall disclose in the annual report the implementation of the board performance evaluation, including at least the evaluation cycle, period, scope, method, and content.

If the board performance evaluation is conducted by an external agency or experts, the annual report should disclose the agency or expert's information, professional background, independence statement, evaluation method, criteria, and any improvement suggestions.

Article 11 (Disclosure Method)

These performance evaluation procedures shall be disclosed on the Market Observation Post System and the Company's website for reference.

Article 12 (Implementation and Amendments)

These procedures shall be implemented upon approval by the board of directors, with amendments following the same process.