

## **Wistron Corporation**

### **2022 External Evaluation of Board Performance**

1. According to the “Rules for Board of Directors and Function Committee Performance Assessments”, the Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.
2. The Company commissioned an external professional institution, the Tawan Corporate Governance Association, to implement the 2022 board performance evaluation.
  - (1) The evaluation period was from October 1, 2021 to September 30, 2022.
  - (2) Assessment Method: The Association mentioned above will review the relevant documents provided by Wistron. On November 4, 2022, the evaluation team visited our company for on-site interviews, attended by the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Compensation Committee, the General Manager, the Corporate Governance Officer, the Vice President of Sustainability, and the General Auditor.
  - (3) Assessment Content and Items: The evaluation examined the operation of our company's board of directors in eight main areas, including the composition of the board of directors, the guidance provided by the board of directors, the authority granted by the board of directors, the supervision provided by the board of directors, the communication within the board of directors, internal control and risk management, the self-discipline of the board of directors, and other areas such as board meetings and support systems.
3. Evaluation Results: On November 15, 2022, the Corporate Governance Association issued a board performance evaluation report. The following is an excerpt from the report, which was presented to the Board of Directors on December 22, 2022:
  - (1) Overall evaluation of the evaluation report:
    - A. The company places great emphasis on gender and professional diversity in the composition of the board of directors. In addition to considering the requirements of corporate governance, the selection of independent directors is based on the company's development strategy to seek suitable candidates. Independent directors account for more than half of the board seats and actively engage in various operational issues of the company. They interact closely with the management team and use functional committees to assist the board in achieving effectiveness and improving decision-making efficiency.
    - B. The board meetings of the company have an open atmosphere and fully respect the opinions of independent directors. In addition to statutory meetings, the company invites independent directors to participate in periodic Outing Meetings and dining events to discuss the company's growth strategies. Through the operation of this mechanism, the board of directors can fully function in formulating strategies. The company uses formal and informal opportunities for board members to jointly form a consensus on the company's major development goals and strategies, allowing independent directors to participate more fully and play to their strengths.

- C. The company holds regular training courses for group directors every year and makes good use of external consulting companies to adopt expert opinions for continuous improvement of the board's efficiency and professionalism.
  - D. The company is committed to sustainable business operations and development and implements corporate social responsibility. Last year, the "Corporate Sustainability Office" was established under the Corporate Sustainability Committee, and the Vice President of Sustainability was appointed as the head. The office actively promotes various ESG-related issues and participates in the DJSI Dow Jones Sustainability Index international evaluation, demonstrating the company's emphasis on sustainable operations in the board of directors.
- (2) Recommendations and expected measures to be taken by our company based on the evaluation report
- A. Recommendations:
    - a. Under the Company's current system, in the event of a special emergency, the relevant departments, the Secretary's Office of the Board of Directors, and the business units usually clarify the situation first and then report it layer by layer to the Chief of Staff, CFO, CEO, Chairman, and all the directors. It is suggested that your company can establish written procedures for the timely reporting of occasional important information to independent directors and external directors, clarifying the reporting procedures and time limits, to ensure that all board members can fully grasp the company's important situation, enabling the directors to better fulfill their duties.
    - b. The company's Compensation Committee actively exercises its powers by proactively understanding the performance evaluation indicators of senior managers, considering factors such as financial achievement rates, talent retention, stakeholder feedback, and the company's future development, strengthening the link between performance evaluation and compensation. Your company has developed six major sustainable development strategies and schedule plans, and each business unit executes them as goals. However, ESG performance evaluation indicators for senior managers have not been fully incorporated. It is recommended that your company consider incorporating relevant indicators into the performance evaluation of senior management, to facilitate the Compensation Committee in supervising the linkage and rationality of senior managers' compensation and the company's performance, future development, and shareholder interests. This will help to realize the core value of sustainable development in the company.
  - B. Expected measures to be taken by our company:
    - a. Establishing " Procedures for Handling Material Inside Information", including but not limited to the evaluation process and notification system for the

release of important information, to ensure that the directors can more fully and immediately grasp the company's relevant important information.

- b. Our company will gradually increase the weight of ESG-related performance indicators in the performance evaluation of senior managers to strengthen our commitment to sustainable development.