

## External Evaluation Results of the Performance of the Board of Directors

### I. Evaluation basis

In order to implement corporate governance and improve the functionality of the Board of Directors, the Bank has formulated the “Regulations on the Board Performance Evaluation” at the board meeting on September 1, 2017, and renamed them “King's Town Bank Regulations on the Board and the Functional Committee Performance Evaluation” on May 14, 2018 (hereinafter referred to as “the Regulations”), whereby included the performance evaluation of the functional committees.

Pursuant to the Regulations, the internal performance evaluations of the Bank’s Board of Directors and functional committees shall be performed at least once a year in accordance with evaluation procedures and evaluation indicators set out in the Regulations and shall appoint an external professional independent institution or an external professional scholar team every three years to conduct the evaluations.

### II. Evaluation status and results:

The Bank's last external performance evaluation of the Board of Directors was conducted in 2021. Therefore, in 2024, the Bank conducted external performance evaluation in accordance with the Regulations and appointed EY Business Advisory Services Inc.) (hereinafter referred to as EY) to conduct evaluation. The organization and its executive experts have no business dealings with the Bank and are independent, and submitted an evaluation report. The Bank has also submitted it to the Board of Directors and the Nomination Committee.

The contents of relevant reports are summarized as follows:

1. Evaluation period: 2024/01/01~2024/12/31.
2. Evaluation method: Through the structure of the Board of Directors (structure and process of the Board of Directors, members of the Board of Directors), members (legal person and organizational structure, roles and responsibilities, conduct and culture), processes and information (director training and development, supervision of risk control, declaration/disclosure and performance supervision), and through document review, and invitation with two directors and an independent director being interviewed individually, as well as the self-assessment questionnaire of each director.
3. Evaluation results:

Three Main Dimensions	Evaluation Results
Structure of	• Functional committees have been established, including the Audit

the Board of Directors	<p>Committee, Remuneration Committee, Nomination Committee, and Sustainable Development Committee.</p> <ul style="list-style-type: none"> <li>• The Company has appointed three independent directors, accounting for 3 out of 7 board seats, which exceeds the minimum requirement of one-third as stipulated by the competent authority.</li> <li>• All board members possess the knowledge, skills, and character necessary to perform their duties and are able to effectively apply their professional expertise.</li> </ul>
Members	<ul style="list-style-type: none"> <li>• The Company has established corporate governance policies, including the “Corporate Governance Best-Practice Principles” and the “Ethical Corporate Management Best Practice Principles”.</li> <li>• Most directors have a clear understanding of the industry to which the Company belongs, and have effectively assessed and monitored the various existing or potential risks faced by the Company. They have also discussed the implementation and tracking of the internal control system.</li> <li>• The internal relationships and operational aspects received positive evaluations, indicating that the board members generally agree that the interaction between the Board of Directors and the management team is good, and there is also effective communication among the directors.</li> <li>• The Company has implemented the “Succession Plan for Directors and Senior Managers of King’s Town Bank,” which is actively carried out in accordance with the plan to identify and select suitable board members.</li> </ul>
Procedures and Information	<ul style="list-style-type: none"> <li>• The Audit Committee regularly communicates with the head of internal audit and the CPAs on key matters, effectively fulfilling its supervisory responsibilities.</li> <li>• Meeting materials are provided by meeting unit to board members or committee members in advance to help them fully understand the proposals and participate meaningfully in discussions.</li> <li>• The Company has established a Risk Management Committee (with the Risk Management Department serving as the executing unit), which holds regular monthly meetings. At the beginning of each year, the Committee reports the risk exposures as of the end of the previous year to the Audit Committee and subsequently submits the report to the Board of Directors.</li> <li>• The Board of Directors regularly reviews the management team’s</li> </ul>

	performance and grants rewards accordingly. Bonus allocation is linked to departmental performance evaluations, which include both business and non-business indicators. Among the business indicators is the implementation of sustainability initiatives, which must carry a weighting of no less than 5%.
--	--

**According to EY's comprehensive evaluation, the Bank's comprehensive performance in terms of board structure, members, processes and information is [Advanced], [Advanced], and [Benchmark], respectively.** (Advanced: Meets the fundamental requirements of the competent authority and relevant regulations, and has established effective practical mechanisms, or has proactively enhanced performance in this area. Benchmark: Not only exceeds the fundamental requirements of the competent authority and relevant regulations, but also represents a best practice example in the industry.)

#### 4. EY's suggestion and the Bank's improvement plan

Evaluation Suggestion	Improvement Plan of the Bank
<p>(1) Starting in 2024, the number of independent directors must not be less than one-third of the total number of board seats, and their tenure may not exceed three terms. Beginning in 2025, if the number of board members of either gender is less than one-third of the total board seats in a TWSE/TPEX Listed Company, the Bank must explicitly disclose the reasons and the measures taken in its annual report. It is recommended that the Bank plan its board composition in advance to respond to these regulatory changes.</p> <p>(2) It is recommended that the company establish a talent pool for board members through multiple channels to enhance the diversity of board members and enrich the backgrounds of the Board of Directors.</p>	<p>The Bank will use this evaluation recommendation as a reference to continuously strengthen the functions of the Board of Directors and the functional committees.</p>