

Board Performance Evaluation Rules of Far Eastern New Century Corporation (the “Company”)

Came to effect on August 11, 2016

1st amendment on November 8, 2018

Article 1 (Purpose and basis for adoption)

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

Article 2 (Rules and compliance)

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 this rules .

Article 3 (Evaluation cycles and periods)

The Company shall conduct an internal board performance evaluation at least once a year. The internal board performance evaluation for the current year shall be conducted at the end of each year according to the evaluation procedures and the evaluation indexes in Articles 6 and 8.

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.

Article 4 (Evaluation scope and method)

The Company's board evaluation scope may cover the evaluation of the board as a whole and individual directors.

Methods of evaluations include the internal evaluation of the board, self-evaluation by individual board members.

Article 5 (Evaluation conducted unit)

The unit conducting internal evaluations of the Company's board of directors shall have an adequate understanding of the operation of the unit subject to evaluation and shall play a fair, impartial and independent role.

Article 6 (Evaluation procedures)

At the end of a year, the units performing evaluations will collect information about the activities of the board of directors and distribute self-evaluation questionnaires such as the Questionnaire of Self-Evaluation of Performance of the Board, or the Questionnaire of Self-Evaluation of Performance of Board Members, to be completed. The unit responsible for evaluation or the secretariat of the board will then collect all information, give scores based on the evaluation indexes in Article 8, record the evaluation results in a report, and submit the report to the board of directors.

Article 7 (External panel or experts)

When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of board performance, the Company shall act in accordance with the following guidelines:

The external evaluation institution shall be an institution or management consulting firm mainly engaging in the provision of services for educational and training programs for board of directors and improvement of corporate governance of enterprises.

The panel of external experts and scholars shall appoint at least three experts or scholars specialized in the fields of board of directors or corporate governance to conduct evaluations of board performance of the Company and prepare external evaluation analysis reports.

Article 8 (Evaluation indexes and scoring criteria)

The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors (functional committees), which should cover, at a minimum, the following five aspects:

1. Participation in the operation of the Company;
2. Improvement of the quality of the board of directors' decision making;
3. Composition and structure of the board of directors;
4. Election and continuing education of the directors; and
5. Internal control.

The criteria for evaluating the performance of the board members (on themselves or peers), should cover, at a minimum, the following six aspects:

1. Familiarity with the goals and missions of the Company;
2. Awareness of the duties of a director;
3. Participation in the operation of the Company;
4. Management of internal relationship and communication;

5. The director's professionalism and continuing education; and
6. Internal control.

The indexes of board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the Company.

Scoring criteria may be modified and adjusted based on the Company's needs.

Article 9 (Nomination referred by the board)

When electing members of the board of directors or nominating independent directors, the Company can reference the evaluation results of the performance of individual directors as reference.

Article 10 (Annual report disclosure)

The Company will disclose in annual report whether regulations governing the board performance evaluation have been established as well as how the board performance evaluation has been conducted each year, with a description of the evaluation method provided.

Article 11 (Disclosure)

The performance evaluation regulations established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times, to be made available for consultation.

Article 12 (Implementation)

The Company's regulations shall take effect after having been discussed and approved by the board of directors. Subsequent amendments thereto shall be effected in the same manner.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*