

Fubon Financial Holding Co., Ltd.

The Evaluation Criterion for the Performance of Board of Directors

Adopted by the Board of Directors on November 24, 2015
1st Amendment by the Board of Directors on November 22, 2016

Article 1 (The Purpose and the Basis for the Establishment of the Criterion)

To implement corporate governance and enhance the functions of Board of Directors (or the “Board”) of Fubon Financial Holding Co., Ltd. (the “Company”), and to set forth performance objectives to improve the operation efficiency of the Board, the Company hereby enacts The Evaluation Criterion for the Performance of Board of Directors (the “Criterion”) pursuant to Article 37 of the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies for compliance.

Article 2 (Scope of the Criterion)

The general evaluation cycles, periods, scope, methods, the unit conducting evaluations, evaluation procedures and other compliance requirements regarding the evaluation of the performance of the Board shall be subject to this Criterion.

Article 3 (Evaluation Cycles and Evaluation Periods)

The Board of Directors of 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 indices regulated in Articles 6 and 7.

The Company’s board performance evaluation shall be conducted by an external independent professional institution, a panel of external experts and scholars, or conducted in other appropriate methods at least once every three (3) years. The performance evaluation for the current year shall be conducted at the year-end.

Internal and external board performance evaluations shall be completed before the Board of Directors' meeting which is to be convened within three months from the commencement of the next year.

Article 4 (Evaluation Scope and Method)

The evaluation scope of the Company's Board of Directors shall cover the performance of the Board as a whole and individual board member.

Methods of evaluations include internal evaluation of the Board, self-assessment by individual board member, evaluation by appointed external professional institutions, experts, or other appropriate methods of evaluation.

Article 5 (The Unit Conducting Evaluations)

The unit conducting internal evaluations of the Company's Board of Directors shall be the administrative unit of the Board of Directors.

Article 6 (Evaluation Procedure)

The procedures for the Company's Board performance evaluation are as follows:

1. Determine the unit and the scope to be evaluated during the current year.
2. Determine the method of evaluation.
3. Select the unit appropriate to conduct the evaluations.
4. At the end of each year, the unit conducting the evaluations will collect information about the activities of the Board of Directors and distribute Annex 1 "Self-assessment Questionnaire for Individual Board Member", and the Annex 2 "Self-assessment Questionnaire for the Performance of Board of Directors". At the end the unit responsible for the evaluations will compile related information, calculate the results according to Article 8, and send the report to the Corporate Governance and Sustainability Committee and the Board of Directors to review and improve.

Article 7 (Evaluation Indices)

The Evaluation indices of the performance of the Board of Directors shall be determined based on the operation and demands of the Company and shall at least cover the following six aspects:

1. Participation in the operation of the Company;
2. Improvement of the quality of the decision making of the Board of Directors;
3. Composition and structure of the Board of Directors;

4. Election and continuing education of the directors;
5. Internal control; and
6. Participation in Environmental, Social and Governance.

The Evaluation indices of self-assessment of the performance of individual board member, shall at least cover 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. Internal relationship management and communication;
5. Professionalism and continuing education of the directors; and
6. Internal control.

Article 8 (Evaluation Standard and Calculation Method)

Evaluation standards of the performance of the Board of Directors are indicated in the following forms:

1. Qualified evaluation indices:

Rank	Excellent	Merit	Good	Acceptable	Required Improvement
Score	5	4	3	2	1

2. Quantified evaluation indices:

Achieved Evaluation Indices	YES	NO
Score	5	0

The result of the self-assessment of individual board member and the evaluation of the performance of Board of Directors shall use the average of total grade achieved.

Article 9 (Reference for Election of the Board Member)

When electing members of the Board of Directors or nominating independent directors of the Company, the evaluation results of the performance of individual directors shall be used as a reference for election.

Article 10 (Disclosure)

The Evaluation Criterion for the Performance of Board of Directors shall be fully disclosed on the Company's website in case of inquiry.

Article 11 (Enforcement)

After discussion by the Corporate Governance and Sustainability Committee, the Criterion shall be submitted to and approved by the Board of Directors then come into force. Subsequent amendments to the Criterion shall be in the same manner.