

Microbio Co. Ltd.
2023 External Performance Evaluation of the Board of Directors
Summary Report

1. In accordance with Article 3 of the company's "Rules for Performance Evaluation of the Board of Directors" the board of directors shall conduct an external performance evaluation at least once every three years by an independent external professional institution or a team of external experts and scholars. In 2023, the board's external performance evaluation was entrusted to the "Taiwan Corporate Governance Association". The Taiwan Corporate Governance Association is an independent and professional organization specializing in the assessment and evaluation of corporate governance systems and the performance of boards of directors, with extensive experience in third-party board performance evaluations.
2. The Taiwan Corporate Governance Association and the on-site evaluation team members maintain independence, having no business dealings with the company. Through questionnaires, document reviews, and on-site evaluations, the board's performance was assessed across eight major dimensions: composition, guidance, delegation of authority, supervision, communication, internal control and risk management, self-regulation, and other aspects.
3. The Taiwan Corporate Governance Association issued the Board Performance Evaluation Report on September 27, 2023. The evaluation results were reported to the company's Board of Directors on November 10, 2023. The overall evaluation result, recommendation, and the company's optimization plan are outlined as follows:

Overall evaluation result

- (1) The members of the company's Board of Directors maintain good interactions with the senior management team, holding regular discussions on the company's operational status and strategy development. The independent directors are also actively involved, staying informed of the company's overall risks and strategic direction, thereby fulfilling their guiding and supervisory roles.
- (2) The company's Compensation Committee regularly reviews the policies, systems, standards, and structure related to the performance evaluation and remuneration of directors and managers. Additionally, the committee incorporates the company's long-term development strategy, as well as the promotion and implementation of ESG-related issues, into the performance metrics for senior managers based on their different areas of expertise and roles.

This demonstrates the company's commitment to motivating the management team and its dedication to long-term benefits and sustainable corporate development.

- (3) The company's Head of Internal Audit regularly provides independent directors with monthly audit reports and presents the audit execution and follow-up improvements at Audit Committee meetings. During the COVID-19 pandemic, the independent directors specifically requested strengthened audits of overseas subsidiaries, demonstrating the Audit Committee's supervisory role in internal control.
- (4) The company places great emphasis on sustainability trends and established the Sustainability Committee under the Board of Directors in 2022. The company proactively initiated greenhouse gas inventory and verification ahead of the timeline set by the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies." ESG-related matters are also regularly reported to the Board of Directors, fully demonstrating the company's dedication and effort in promoting ESG initiatives.

Recommendation and Optimization Plan

- (1) The company has established a succession and development plan for Board members and key management personnel, with the HR department responsible for coordinating the development of a succession talent mechanism. It is recommended that the company regularly report on the execution of these plans to the Board of Directors, enabling the Board to better supervise the implementation of senior management's training and succession plans.

Optimization plan: The HR department will, in accordance with the recommendation, provide an annual report to the Board on the development and execution of key management personnel training and succession plans.

- (2) It is recommended that your company establish a mechanism for individual, separate communication between the Audit Committee, internal auditors, and the certifying accountants, with written records kept. This would enhance the Audit Committee's independent supervisory role over the internal control system and financial reporting, while ensuring smooth communication channels between the Audit Committee, internal auditors, and certifying accountants.

Optimization plan: Currently, a communication mechanism between the Audit Committee, the Head of Internal Audit, and the certifying accountants is in place. Moving forward, based on the Audit Committee's request, individual communication sessions will be conducted, with written records maintained.

- (3) The company's "Whistleblowing Policy" includes procedures for handling reported incidents, and the Audit Committee's email address is disclosed on the company's website. As whistleblower mechanisms emphasize direct communication with independent directors, it is recommended that the company establish a reporting channel where independent directors can simultaneously receive messages, further enhancing the independence of the whistleblower mechanism.

Optimization plan: The Audit Committee's email address is already disclosed on the company's website, allowing direct contact with independent directors. Upon receiving a report, the Internal Audit will immediately file a case and initiate an investigation. Additionally, as requested by the Audit Committee, the operation of the whistleblower email will be reported every six months.

- (4) Regarding the onboarding training for newly appointed directors, in addition to providing regulatory compliance-related documents for directors to review, it is recommended that the company establish an "Orientation Program for New Directors." This will help new directors quickly understand the company's operational status, facilitating the fulfillment of their responsibilities.

Optimization plan: The company will establish the relevant program and procedure as recommended.



社團法人中華公司治理協會

董事會績效評估證明

茲證明

中天生物科技股份有限公司

委託本協會執行外部董事會績效評估服務專案

本協會評估小組成員

審閱公司自民國 111 年 08 月 01 日至 112 年 07 月 31 日期間相關文件，

並於 112 年 09 月 14 日評估小組至公司進行實地訪評，

爰於 112 年 09 月 27 日出具董事會績效評估報告，提供公司董事會參酌。

特此證明



理事長

陳清祥

依照分層負責規定
授權單位主管決行

中 華 民 國 112 年 09 月 27 日