

2022 Effectiveness Evaluation of Board of Directors

Performance evaluation of Sercomm's Board of Directors in 2022 includes self-evaluation of the entire Board of Directors, individual directors, and functional committees. The evaluation report is shown as follows:

- **Evaluation period: January 1, 2022 to December 31, 2022.**
- Measurement items for the performance evaluation of the Board of Directors include the following five areas:
 1. Participation in the operation of the Company.
 2. Improvement in the quality of the Board's decision-making.
 3. Composition and structure of the Board.
 4. Election and continuing education of directors.
 5. Internal control.
- Measurement items for the performance evaluation of individual directors include the following five areas:
 1. Understanding of the goals and missions of the Company.
 2. Awareness of the duties of directors.
 3. Participation in the operation of the Company.
 4. Management of internal relationship and communication.
 5. Professionalism and continuing education of directors.
 6. Internal control.
- Measurement items for the performance evaluation of functional committees include the following five areas:
 1. Participation in the operation of the Company.
 2. Awareness of the duties of functional committees.
 3. Improvement in the quality of decision-making by functional committees
 4. Composition of functional committees, and election and appointment of committee members.
 5. Internal control.
- The Board of Directors and functional committees underwent performance evaluation separately, where evaluation results are divided into four grades: 90 points and above: excellent; 80 to 89 points: good; 70 to 79 points: standard; and 69 and below: improvement required.
- The results of the performance evaluation of the Board of Directors in 2022 are shown as follows:
 1. The overall average score obtained during the self-evaluation of the Board of Directors' performance was excellent.
 2. The overall average score obtained during the self-evaluation of individual directors' performance was excellent.
 3. The overall average score obtained during the self-evaluation of functional committees' performance was excellent.
- External evaluation

Upon summarizing and evaluating the directors' self-evaluation and the on-site evaluation for the Board of Directors and Audit Committee, our firm believes that Sercomm' s Board of Directors has formulated relevant policies and

procedures for the Board operation in accordance with relevant laws and regulations and corporate governance indicators in Taiwan. The Board of Directors is composed of directors with relevant professional abilities, and the work is assigned based on the professions and experiences. The functions of the Board of Directors and various functional committees operates effectively, and the evaluation results are excellent.

- Overall evaluation

1. The 4 general directors of the Board of Directors are all current or retired senior managers of Sercomm, and the 3 independent directors are professionals in the telecommunications industry, finance and accounting, and law. The independent directors are knowledgeable about the Sercomm's operations and future development goals, and can provide relevant professional advice in a timely manner with adequate supervision and guidance.
2. Sercomm can provide complete information before the Board meetings and functional committees meeting and directors actively participate in the discussions, express opinions, and establish a good meeting culture.
3. The Chairman respects the professionalism of each director, and the culture of the Board of Directors is open and harmonious where each director can speak freely, contribute his professionalism and express his opinions. Sercomm also values to the succession planning where the current directors play an important role in cultivating the professional managerial personnel who is expected to provide their skills and become the cornerstone of Sercomm in the future.

- Suggestion on optimization

1. At present, two of the three independent directors have served for more than three terms. In order to strengthen the independence of independent directors and functional committees and make the election mechanism of directors and independent directors more professional and independent, it is suggested that Sercomm may consider increasing the independent directors and establishing a nomination committee before the next re-election.
2. Sercomm is a manufacturer of telecommunications broadband equipment with great focus on information security and risk management issues. In order to effectively manage the challenges and opportunities of future business development, we suggest that Sercomm to set up relevant functional committees in line with corporate governance goals, such as Sustainable Committees, Risk Management Committees, Information Security Committees. Sercomm can strengthen the management mechanism and demonstrate the corporate governance of a leading corporation.
3. The self-evaluation questionnaire provided by Sercomm to the directors contains only options of "yes" and "no". It is suggested that the evaluation can be revised to a scoring method recommended by the securities regulatory authority where results are divided from 1 to 5; 1 being extremely poor (strongly disagree) and 5 being excellent (strongly agree), allowing directors to express with subtle differences in evaluation.