

# Regulations Governing the Performance Evaluation of the Board of Directors of Chunghwa Telecom Co., Ltd.

Adopted by the 9<sup>th</sup> Board of Directors at the 2<sup>nd</sup> meeting on Aug. 13, 2019

Amended by the 9<sup>th</sup> Board of Directors at the 8<sup>th</sup> meeting on Aug. 5, 2020

Amended by the 10<sup>th</sup> Board of Directors at the 6<sup>th</sup> meeting on May 10, 2023

Amended by the 10<sup>th</sup> Board of Directors at the 8<sup>th</sup> meeting on November 8, 2023

Amended by the 11<sup>th</sup> Board of Directors at the 3<sup>rd</sup> meeting on January 23, 2026

## **Article 1 Purpose and Basis**

To implement corporate governance, enhance the Company's board functions, and set performance objectives to improve the operational efficiency of the Board of Directors, Chunghwa Telecom Co., Ltd. hereby establishes the Regulations Governing the Performance Evaluation of the Board of Directors (hereinafter referred to as the "Regulations"), pursuant to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Article 36 of the Code of Corporate Governance of Chunghwa Telecom Co., Ltd.

## **Article 2 Regulations to be Followed**

The main evaluation cycles, periods, scope and methods, the unit conducting evaluations, evaluation procedures, indices, scoring criteria, and other matters of compliance governing the board performance evaluation shall be subject to the Regulations.

## **Article 3 Evaluation Cycle and Period**

The Company's board of directors shall conduct an internal board performance evaluation every year, according to the evaluation procedures of Article 6 and the evaluation indices of Article 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.

Internal and external board performance evaluations shall be completed before the end of the first quarter of the following year.

## **Article 4 Evaluation Scope and Method**

The Company's board performance evaluation scope covers the evaluation of the board as a whole, individual directors and functional committees. Functional committees include the Audit Committee, Compensation Committee, Sustainable Development and Strategy Committee, Risk Management Committee and Nomination Committee.

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

directors, self-evaluation by functional committees and evaluation by appointed external professional institutions, experts, or other appropriate methods.

#### **Article 5 Administrative Unit to Conduct the Evaluation**

The Secretariat of the Board of Directors shall conduct the internal performance evaluation of the Board and the self-evaluation of individual directors. The evaluation of functional committees shall be conducted by the Audit Department, the Organization and Talent Development Department, the Corporate Planning Department, and the Secretariat of the Board of Directors, respectively.

The appointment of an external evaluation institution and panel of experts, the time frame for conducting the evaluation, and the evaluation methods shall be approved by the Chairman and reported to the Nomination Committee.

#### **Article 6 Internal Evaluation Procedures**

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

The administrative unit shall collect information about the activities of the board, individual directors and functional committees before December 31<sup>st</sup>, every year and distribute questionnaire as follows:

Appendix 1 – “Board Performance Self-Evaluation Questionnaire”: Each director evaluates the performance of the board as a whole.

Appendix 2 – “Individual Director Performance Self-Evaluation Questionnaire”: Each director evaluates his or her own individual performance.

Appendices 3 to 7 – “Functional Committee Performance Self-Evaluation Questionnaires”: Members of the functional committees evaluate the performance of their respective committees.

After the administrative units collect the completed questionnaires, these questionnaires shall be centrally submitted to the Secretariat of the Board of Directors, which shall record and compile the evaluation results based on the evaluation indices and scoring criteria specified in Article 8. The results shall be reported separately to the Nomination Committee and the Board of Directors by the end of March of the following year, serving as a reference for review and improvement.

#### **Article 7 External Professional Evaluation Institution or Experts**

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

1. The external evaluation institution or panel of external experts and scholars shall be professional and independent; they 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.

2. The panel of external experts and scholars shall appoint at least three experts or scholars specialized in the fields of board governance or corporate governance to conduct an evaluation of the Company's board performance and prepare an external evaluation analysis report.

#### **Article 8 Evaluation Indices 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, which should cover, at a minimum, the following six 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;
5. Internal control; and
6. Participation in sustainable development (ESG).

The criteria for evaluating the performance of individual directors on themselves shall cover, at a minimum, the following six aspects:

1. Alignment of 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 relationships and communication;
5. The director's professionalism and continuing education; and
6. Internal control.

The criteria for evaluating the performance of functional committees should cover, at a minimum, the following five aspects:

1. Participation in the operation of the Company;
2. Awareness of the duties of the functional committee;
3. Improvement of quality of decision making by the functional committee;
4. Makeup of the functional committee and election of its members; and

5. Internal control.

The criteria for the preceding three performance evaluations should be determined by the Company based on its operations and needs, which shall be suitable and feasible for the Company's performance evaluations, and the Nomination Committee shall regularly review and make recommendations on these criteria.

Scoring criteria may be modified and adjusted based on the Company's needs, and the rating may also be weighted by each evaluation aspect.

1. Scoring 1 point: Very Poor (strongly disagree)
2. Scoring 2 point: Poor (disagree, to be strengthened)
3. Scoring 3 point: Good (average)
4. Scoring 4 point: Very good (agree)
5. Scoring 5 point: Excellent (strongly agree)

**Article 9 Use of Evaluation Results**

The results of the performance evaluation of the board of directors of the Company shall be used as a reference basis when selecting or nominating directors.

**Article 10 Information Disclosure in Annual Report**

The Company shall disclose the board's performance evaluation in its annual report each year, including at least evaluation cycle, evaluation period, evaluation scope, evaluation method, and evaluation content.

In cases where an external institution or experts are appointed to conduct evaluations of board performance, the Company shall disclose in the annual report the external evaluation institution, the experts and their team members, their expertise, and the statements of independence issued by the external evaluation institution or experts, and shall describe the evaluation methods, standards, and recommendations for improvement.

**Article 11 Disclosure Methods**

The performance evaluation regulations established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website for reference.

## **Article 12 Implementation**

The Regulations shall be implemented upon discussion and approval by the Board of Directors, and any amendments thereto shall be subject to the same procedure; provided, however, that where amendments are limited solely to the appendices to the questionnaires set forth in Article 6, the Chairman is authorized to approve such amendments.

### Appendices

#### Appendix 1

Board Performance Self-Evaluation Questionnaire

#### Appendix 2

Individual Director Performance Self-Evaluation Questionnaire

#### Appendix 3

Audit Committee Performance Self-Evaluation Questionnaire

#### Appendix 4

Compensation Committee Performance Self-Evaluation Questionnaire

#### Appendix 5

Sustainable Development and Strategy Committee Performance Self-Evaluation Questionnaire

#### Appendix 6

Risk Management Committee Performance Self-Evaluation Questionnaire

#### Appendix 7

Nomination Committee Performance Self-Evaluation Questionnaire