

VIVOTEK INC.
Rules for Performance Evaluation of Board of Directors

Approved by the Board of Directors on February 24, 2020

- Article 1 (Purpose and Basis for Adoption)
To implement corporate governance and to enhance the functions of the Company's board, as well as to set forth performance objectives to improve the operation efficiency of the board of directors, this template is established pursuant to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.
- Article 2 (Requirements to be Complied with)
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 subjected to this template.
- Article 3 (Evaluation Cycle and Duration)
The Company's Board of Directors shall conduct an internal board performance evaluation every 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 independent external professional institution or by 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 Methods)
The Company's board evaluation scope covers the evaluation of the board as a whole, the individual directors, the Audit Committee, and the Remuneration Committee.
Methods of evaluation include the internal evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by the appointed external professional institutions, or experts, or any other appropriate methods.
- Article 5 (Execution Unit for Evaluation)
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 Process)
The procedures for the Company's board performance evaluation are as follows:
 1. Determine the units to be subject to evaluation, the period and the scope of evaluation in the current year.
 2. Determine the method of evaluation, e.g. internal evaluation of the board, self-evaluation by the board members of themselves, peer evaluation, evaluation by an appointed external professional institution and experts, etc.
 3. Select the units appropriate to conduct the evaluations.
 4. The units performing the evaluations will collect information about the activities of the board of directors and distribute self-evaluation questionnaires such as the Questionnaire of Performance Self-Evaluation of the Board in Annex 1, the Questionnaire of Performance Self-Evaluation of Board Members in Annex 2, and the Questionnaire of Performance Self-Evaluation of the

Functional Committee in Annex 3, which are all to be completed. The unit responsible for evaluation 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 for discussion and improvement.

Article 7

(External Professional Institution and 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 evaluating institution or panel of external experts and scholars shall be professional and independent.
2. The external evaluating institution shall be an institution or management consulting firm mainly engaged in the provision of services for educational and training programs for board of directors and improvement of corporate governance of enterprises.
3. 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, 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 (of themselves or peers), should 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 relationship and communication;
5. The director's professionalism and continuing education; and
6. Internal control.

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

1. Participation in the operation of the Company;
2. Awareness of the duties of the Audit Committee;
3. Improvement of quality of decisions made by the Audit Committee;
4. Makeup of the Audit Committee and election of its members; and
5. Internal control.

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

1. Participation in the operation of the Company;
2. Awareness of the duties of the Remuneration Committee;
3. Improvement on the quality of decisions made by the Remuneration Committee; and
4. Makeup of the Remuneration Committee and election of its members.

The indexes of board performance evaluation shall be determined based on the

operation and needs of the Company and shall be suitable and appropriate for evaluations by the Company, subject to regular reviews and constructive comments of the Remuneration Committee.

Scoring criteria may be modified and adjusted based on the Company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.

Article 9 (Utilization of Evaluation Results)

When electing or nominating members of the board of directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of the individual director's performance.

Article 10 (Information Disclosure in Annual Report)

The Company should disclose in its annual report whether it has established rules for the performance evaluation of the board of directors and should detail the implementation status of the annual board performance evaluation, along with an explanation of the evaluation methods used.

In cases where an external institution or experts are appointed to conduct the evaluations of the board performance, the Company shall, in the annual report, disclose the external evaluation institution, the experts and their team members, their expertise, and state whether they have any business relationships with the Company and establish their independence.

Article 11 (Disclosure Method)

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)

These rules shall take effect after having been discussed and approved by the Board of Directors. Subsequent amendments thereto shall be put into in the same manner.