



External Performance Evaluation of Board

In accordance with the “Performance Evaluation Regulations of the Board of Directors and Managers”, M31 conducts external evaluation of the Board's performance.

At the end of 2023, M31 commissioned the external professional independent organization, the Taiwan Investor Relations Institute (TIRI), to conduct a board performance evaluation. The assessment period was from January 1, 2023, to December 31, 2023. TIRI appointed three assessors to conduct the evaluation. There were no circumstances affecting independence between TIRI, the assessors, and M31, and an independence statement had been issued.

TIRI assessors conducted the evaluation through video interviews and reviewed the M31's documents and directors' self-assessment questionnaires, and the five major components of the questionnaire assessment items are set out below:

Board Composition and Professional Development

Board Decision-Making Quality

Board Operational Effectiveness

Internal Control and Risk Management

Degree of Board Engagement in Corporate Social Responsibility

TIRI submitted the evaluation report on January 19, 2024, and the assessment results and recommendations are as follows. M31 reported the results and improvement plan during the board meeting on February 27, 2024.

Evaluation Conclusion

M31 has been listed on the Taiwan Stock Exchange since 2019. In addition to actively developing and validating various advanced IP, assisting customers in shortening design cycles, reducing manufacturing costs, and enhancing product competitiveness, the Company is also committed to actively protecting shareholder rights and interests, treating shareholders equally, strengthening the board structure and operations, improving information transparency, and promoting sustainable development. Moreover, M31 has achieved a ranking within the top 5% in corporate governance evaluations for two consecutive years, which is highly commendable.



Evaluation Recommendations

1. Elevate the "Sustainable Development Committee" to a functional committee
2. Prepare a sustainability report in accordance with the Global Reporting Initiative (GRI) guidelines and obtain third-party verification
3. Early planning of directors and managerial officers remuneration, linked to ESG performance
4. Early and uniform planning of annual training courses for board members
5. Allocate resources to support domestic cultural development

Improvement Plan or Action

1. M31 plans to establish a "Sustainable Development Committee" for board members or integrate relevant functional committees.
2. M31 has planned to complete the preparation of a sustainability report in accordance with the GRI guidelines and obtain third-party verification by the year 2024.
3. M31 plans to incorporate ESG objectives in the performance of directors and managerial officers, aligned with the remuneration policy.
4. M31 Plans for annual continuing education courses for directors to be discussed by the Nominations Committee in 2024, facilitating directors to complete their training tasks in advance.
5. M31's sustainability development programs plan to invest resources in various aspects to support the domestic cultural development.