

O-Bank Co., Ltd.

Implementation Result of 2020 Performance Evaluation of Board of Directors

- I. Based on “O-Bank’s Regulations Governing the Performance Evaluation of Board of Directors,” the Board of Directors and functional committees shall conduct an internal board performance evaluation at least once a year; the evaluation shall be conducted at least once every 3 years by external evaluation institutions or panel of external experts and scholars.
- II. Evaluation Indicators:
The Bank’s internal evaluation of performance of the Board of Directors employs 5-point scale: “Excellent (5 points), Very Good (4 points), Good (3 points), Fair (2 points), Needs Improvement (1 point)” for quantified evaluation. The resulting average scores are then used for measurement. The evaluation items include as below:
1. A total of 49 indicators is determined for Board performance evaluation. The evaluation aspects include participation in company operations, improvement on the quality of the board’s decision making, composition and structure of the board of directors, election of directors and continued knowledge development, internal control, other essential issues, etc.
 2. For functional committee performance evaluation, a total of 24 indicators is determined in Audit Committee, 20 in Compensation Committee, and 19 in Corporate Governance and Nomination Committee. The evaluation aspects include participation in company operations, understanding of the committee members’ duties and responsibilities, improvement on the quality of the committees’ decision making, composition of the committees and election of the committee members, internal control, etc.
 3. A total of 24 indicators is determined for Board member performance evaluation (self-assessment). The evaluation aspects include grasp of company targets and missions, understanding of the directors’ duties and responsibilities, participation in company operations, internal relationship management and communications, professional qualifications of directors and continued knowledge development, internal control, etc.
- III. Result of 2020 Performance Evaluation (Internal):
1. The average score of Board performance evaluation on each aspect is between 4.69~4.88:

Evaluation Aspect	Average Score
A. Participation in company operations	4.69
B. Improvement on the quality of the board's decision making	4.82
C. Composition and structure of the board of directors	4.85
D. Election of directors and continued knowledge development	4.86

Evaluation Aspect	Average Score
E. Internal control	4.84
F. Others (issues such as fair treatment of clients, personal information management, AML/CFT, information security management, corporate social responsibility, etc.)	4.88

2. The average score of functional committee performance evaluation on each aspect is between 4.87~5 in Audit Committee, 5 in Compensation Committee, and 5 in Corporate Governance and Nomination Committee:

Evaluation Aspect	Average Score of Audit Committee	Average Score of Compensation Committee	Average Score of Corporate Governance and Nomination Committee
A. Participation in company operations	5	5	5
B. Understanding of the committee members' duties and responsibilities	4.87	5	5
C. Improvement on the quality of the committee's decision making	4.95	5	5
D. Composition of the committees and election of the committee members	5	5	5
E. Internal control	4.93	5	5

3. The average score of Board member performance evaluation (self-assessment) on each aspect is between 4.69 ~ 4.88:

Evaluation Aspect	Average Score
A. Understanding of company goals and missions	4.82
B. Understanding of the directors' duties and responsibilities	4.88
C. Participation in company operations	4.81
D. Internal relationship management and communications	4.73
E. Professional qualifications of directors and continued knowledge development	4.69
F. Internal control	4.80

4. The result of 2020 Performance Evaluation of Board of Directors was approved by the Corporate Governance and Nomination Committee and the Board of Directors on February 24, 2021. The evaluation result would be provided to the Board of Directors and functional committees as reference for continued improvement, and to the Compensation Committee as reference for setting the remuneration for Board and functional committee members. On the whole, the Bank's Board of Directors and functional committees are operating and functioning competently by adequately fulfilling their duties of supervising and advising on the Bank's strategic plans, major business, and risk management. In the meantime, the Board members effectively improve the corporate governance by understanding their responsibilities, participating in the Bank's operations, and providing proper decision-making.