

O-Bank Co. Ltd.

The Result of 2019 Performance Evaluation of Board of Directors

- I. Based on “O-Bank’s Regulations Governing the Performance Evaluation of the Board of Directors,” the board of directors and functional committees should conduct an internal board performance evaluation at least once a year. Also, the evaluation should 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 Board of Directors employs 5-point scale: “Excellent (5 points), Very Good (4 points), Good (3 points), Fair (2 points), Needs Improvement (1 point). Quantitative method is used for the evaluation and the resulting average scores for measurement. The evaluation items include as below:
1. 52 indicators are determined for 2019 (internal) evaluation of performance of board of directors, including the participation in the company’s operation, improvement on the quality of the board’s decision making, makeup and structure of the board of directors, election of directors and continued knowledge development, internal control, etc.
 2. 24 indicators are determined for (self-)evaluation of performance of board members, including the understanding of the Bank’s goals and missions, director’s understanding of their duties and responsibilities, participation in the company’s operation, internal relation maintenance and communications, professional qualifications of directors and continued knowledge development, internal control, etc.
 3. 24 indicators are determined for the evaluation of performance of functional committees, including the participation in the Bank’s operation, committee members’ understanding of their duties and responsibilities, improvement on the quality of the committees’ decision making, makeup of the committees and election of the committee members, internal control, etc.
- III. The Result:
1. The average score of the evaluation of the performance of board of directors is between 4.56~4.83:

Evaluation Item	Average Score
A. Participation in the company's operation	4.56
B. Improvement on the quality of the board's decision making	4.81
C. Makeup and structure of the board of directors	4.83
D. Election of directors and continued knowledge development	4.81

E. Internal control	4.73
F. Others (issues such as fair treatment of clients, personal information management, AML/CFT, information security management, and corporate social responsibility, etc.)	4.81

2. The average score of the (self-)evaluation of performance of board members is between 4.70 ~ 4.97:

Evaluation Item	Average Score
A. Understanding of company goals and missions	4.87
B. Director's understanding of their duties and responsibilities	4.97
C. Participation in the company's operation	4.70
D. Internal relation maintenance and communications	4.71
E. Professional qualifications of directors and continued knowledge development	4.71
F. Internal control	4.78

3. The average score of the evaluation of performance of functional committees is between 4.56 ~ 4.92:

Evaluation Item	Average Score
A. Participation in the company's operation	4.92
B. Committee member's understanding of their duties and responsibilities	4.71
C. Improvement on the quality of the committee's decision making	4.81
D. Makeup of the committees and election of the committee members	4.67
E. Internal control	4.56

4. The result of 2019 Performance Evaluation of the Board of Directors was reported to the functional committees and Board of Directors in February, 2020. 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 the board and committee members.