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## Performance Evaluation Regulations

### 1. Purpose

The purpose of the regulation is to ensure the fair and reasonable evaluation of employee performance, and to provide an incentive for employees to maintain their good performance. The regulation also aims to enhance the overall performance of the organization by promoting internal communication and guidance on work values.

### 2. Scope

- 2.1. All permanent employees (including expatriate personnel but not including foreign labor, contract personnel, and personnel on unpaid leave) during the evaluation period.
- 2.2. Annual performance evaluation: All permanent employees that joined the company before September 30 of the current year, and permanent employees on unpaid leave for more than 6 months of the evaluation period.
- 2.3. Mid-year performance review: All permanent employees that joined the company before March 31 of the current year, and permanent employees on unpaid leave for more than 3 months of the evaluation period.

### 3. Reference material

- 3.1. 4-010-071 Company Decision-Making Authority Regulations

### 4. Responsibility

- 4.1. General Employee: Completes the annual goals setting in the first quarter every year; and fills out the “Annual Performance Evaluation Form” in the fourth quarter.
- 4.2. Unit Supervisor: Communicates the annual goals to the employees. Conduct the employee performance evaluation and performance improvement tasks with the approval of the competent supervisor in the second and fourth quarter.
- 4.3. Human Resources Unit: Ensures that performance evaluations are executed successfully.
  - 4.3.1. Planning the annual performance evaluation with the approval of the competent supervisor.
  - 4.3.2. Explaining the performance evaluation timetable and method.
  - 4.3.3. Confirming that performance evaluations were completed on-time by all units.
  - 4.3.4. Submitting all performance evaluation outcomes in the Company to the competent supervisors for approval.
  - 4.3.5. Employees that failed to improve their performance shall be referred to the competent supervisor for approval before being dismissed in accordance with the law.
- 4.4. Center Director: Confirms the evaluation ratings of subordinate units.
- 4.5. \* Company-wide evaluation ratings shall be set by those with appropriate authority.

### 5. Description

- 5.1. Human Resources unit notifies employees and supervisors to communicate on “annual goals setting” in the first quarter every year.

- 5.2. A performance review is conducted in the middle of each year (the second quarter) to regularly examine and track employee progress on performance goals; the point of evaluation is on progress review and tracking, as well as suggestions for improvement. Annual performance review is evaluated at the end of the year. The detailed operational timetable will announce by Human Resources unit.
- 5.3. The performance evaluation procedure is announced by Human Resources unit in the fourth quarter of each year. A preliminary evaluation is conducted by the direct supervisor. Personnel should complete self-evaluation and fill out the “End-of-Period Progress Report.” The preliminary evaluator should objectively evaluate actual performance against expected targets, and arrange a performance interview with the personnel. The evaluation results will submit to the competent supervisor for final confirmation.
- 5.4. \* The default evaluator for personnel that changed roles or were transferred during the period under evaluation shall be their new supervisor. If they have less than 6 months in their new role, then the evaluating supervisor or the employee being evaluated can both ask for input from the previous supervisor.
- 5.5. Performance Evaluation Form: Items to be evaluated include goals achieved and professional performance. A preliminary self-assessment is completed by employees, followed by a review by their direct supervisors. The performance evaluation form shall provide an itemized list of each goal and its progress, as well as evaluation of performance in each professional area based on the weighting of the work of the employee being evaluated. The form shall be adjusted as necessary each year.
- 5.6. Performance Interview: To help employees improve their performance and boost the overall performance of the Company, the direct supervisor is responsible for conducting a performance interview with the employee to discuss the improvement based on evaluation results. This could improve two-way communication with the employee.
- 5.7. Performance rating: The performance ratings assigned by each unit must adhere to the mandatory quotas announced for the year.
  - 5.7.1. \* To establish a set of consistent scoring standards for each evaluator and to maintain the objectivity of scoring, the ratings, performance standards, and advice for employee development in the “Performance Evaluation Form” are defined as follows:

Rating	Performance	Definition
5	Exceptional	Consistently exceeds expectations, makes significant contributions to the development of the company and demonstrates capacity for innovation.
4	Excellent	Meets all of the targets, frequently exceeds expectations, and makes significant contributions to the development of the department.
3.5	Good	Performance exceeds expectations and can make suggestions for improvement.
3	Acceptable	Performance meets expectations.
2	Improvement Needed	Performance does not consistently meet requirements, requires frequent guidance from the supervisor and is obviously weaker

		than other team members.
1	Does Not Meet Expectations	Failed to meet more than half of the performance expectations and demonstrates no interest in making improvements.

5.7.2. The preliminary evaluator makes a fair and objective evaluation of the evaluation tasks: The evaluator may adjust the rating based on employee performance; if the preliminary evaluation and approved rating diverges then the evaluating supervisors should engage in appropriate communication over the difference.

5.8. Performance Rating Restrictions: A rating of Excellent or higher cannot be awarded if an administrative penalty was issued or there was any record of absenteeism during the evaluation period. The relevant records shall be provided by the Human Resources unit to unit supervisors for their reference.

5.9. Handling of Poor Performance: For personnel whose performance did not meet expectations, supervisors at all levels must make a decision on the employee’s suitability or propose a performance improvement plan (including dismissal). The Human Resources unit should actively cooperate in the handling of the situation.

5.10. Data Retention

5.10.1. Once the performance evaluation results of each unit have been submitted for approval by the Human Resources unit, HR will enter it into the HR performance master file.

5.10.2. All the forms and documents related to employee performance evaluations should be sealed and retained by the Human Resources unit. The information should be retained for at least 5 years after the employee’s departure from the Company.

5.11. Implementation and Revision: The Regulations and any amendments shall be announced and implemented once they have been approved by the appropriate authority.

## 6. Appendix

6.1. \* Attachment: Performance Evaluation Process Flow Chart

6.2. Form: 4-010-164-04 Direct Employee Performance Evaluation Form