

 Dynamic Holding Co.	Management Method	Number	
		Version	1.0
	Annual Performance Evaluation Policy for Executives	Owner	Administrative Department
		Revision Date	February 24, 2023

1.0 Purposes

- 1.1 The purposes of this Policy are to strengthen the achievement of goals as the performance evaluation criterion, inspire executives to have the accountability for fulfillment of goals, focus on building team morale and organizational atmosphere and ensure the achievement of the company's annual business goals.
- 1.2 The annual performance evaluation results not only provide the Board of Directors with the evaluation of the executives' annual work performance, but also serve as the basis for the allocation of annual remuneration incentives.

2.0 Scope of Application

This Policy applies to the annual performance evaluation and remuneration management of executives appointed by resolution of the Board of Directors, including:

- 2.1 Determination of executives' annual performance goals and execution of executives' performance evaluation;
- 2.2 Determination and implementation of annual remuneration adjustments for executives linked to their annual performance goals;
- 2.3 The personnel who are under this Policy includes:
 - 2.3.1 The level of vice-presidents (inclusive) or above.
 - 2.3.2 Finance, accounting and audit department heads.

3.0 Annual Performance Goals Commitment and Performance Evaluation Procedure

- 3.1 Executives' annual goals commitment and assessment process, including:
 - 3.1.1 Executives' annual operating plan and performance goals commitment at the beginning of the year
 - 3.1.2 Review the achievement of monthly performance goals; reviewed in management & operation meeting,
 - 3.1.3 Conduct comprehensive evaluation of Executive Management Function of the previous year at the beginning of the current year, which should be done in January of each year and the evaluation period is from January 1 to December 31 annually.

3.2 Annual operating plan

In order to promote the implementation of the Company's annual operating goals efficiently from top to bottom, it is the executives' duty to announce the annual operating plan at the beginning of the year. Principally, the General Manager is responsible to the Chairman of the Board (hereinafter referred to as the "Chairman"), and the actual

approaches will be stipulated separately by the Chairman. The annual operating plan is interpreted by the Chairman to the Remuneration Committee in advance and is formally submitted to the Company's Board of Directors (hereinafter referred to as the "Board") after being reviewed and discussed at the meeting. The key points of the annual operating plan are as stated below:

- The long-term plans and priorities of the Company;
- Review of the previous year's work (achievements and review);
- The company's annual operating plan and performance goals for the coming year;
- Implementation measures: the key measures that should be taken to achieve performance goals and ensure the ultimate achievement of goals.
- The company's financial budget and planning for the next year;
- The plans to build the Company's team morale and organizational atmosphere, to train key employees and management associates and other related plans;
- Business strategies and key measures;
- Improve product quality and customer satisfaction indicators;
- Compare the Company's performance with industry benchmarks and with the Company's performance in the previous year;
- Other management key points which need to be strengthened in the next year.
- Seek help for any difficulties and so on.

3.3 Performance review

3.3.1 The remuneration committee uses the Company's financial statements and achievement reports of goals commitment submitted by the Company and other information to conduct the routine reviews and analysis of the executives' performance of goals achievement.

3.3.2 Once the Company's annual operating plan and performance goals are determined, they should be kept unchanged principally. In case the Company's annual operating plan and performance goals really need to be changed, the change application must be submitted to the Remuneration Committee and reviewed by the Remuneration Committee meeting and approved by the Board meeting. Such change should also be filed with the Board and the Remuneration Committee.

3.4 Comprehensive performance review of annual performance

Based on the executives' achievement of the annual performance goals commitment, the Remuneration Committee conducts a comprehensive review and provide preliminary evaluation opinions. After communicating the feedback with the executives, the preliminary evaluation opinions are submitted to the Board meeting for review and approval to determine the final annual performance evaluation results.

4.0 Division of duties for annual performance evaluation

4.1 Board of Directors

4.1.1 Approve the executives' annual operating plan reports;

- 4.1.2 Discuss with executives to determine their annual performance goals commitment;
- 4.1.3 Implement routine performance analysis, and provide timely monitoring and guidelines based on executives' performance commitments and improvement requirements.
- 4.1.4 Approve the annual performance evaluation and determine the performance evaluation results of executives;
- 4.1.5 Communicate the feedback with executives regarding annual performance evaluation results.

4.2 Remuneration Committee

- 4.2.1 Review the preliminary operating plan and the statement of annual performance goals commitment prepared by the executives;
- 4.2.2 Review the achievement of the executives' goals commitment and conduct necessary analysis;
- 4.2.3 Be responsible for the executives' reports, midterm performance review, the preliminary review meeting of the year-end evaluation, provide the preliminary evaluation opinions and communicate the feedback with the executives.

4.3 Executives

- 4.3.1 Upon the Board's request, at the beginning of the year, prepare the annual operating plan and conduct annual report to the Board;
- 4.3.2 Communicate with the board of directors, determine and sign an annual performance commitment letter;
- 4.3.3 Participate in the routine review meetings of the Remuneration Committee and make performance improvements based on the comments of the Committee members;
- 4.3.4 If there are major changes in the relevant work content in the commitment statement, an application for revision of the commitment statement are promptly submitted to the Remuneration Committee and the Board;

5.0 Evaluation Result of Annual Performance

The evaluation result of the annual performance comprehensive review is mainly assessed with reference to the achievement of the goal value of the annual performance commitment indicators and calculate the scores in the form of weighted scoring. The scoring methods are:

- Annual performance common indicator item revenue: 20%; indicator item profit: 20%
 - Items of annual performance indicator: Personal department KPI indicator 60%
 - Annual personal performance evaluation result
 - Annual assessment result score = (KPI score) * 60% + (functional evaluation result) * 40%
- A+ > 90; A:80-89; B:70-79; C:60-69; D: < 60

6.0 Interpretation, Revision and Repeal

Responsibility for the interpretation, revision and repeal of this Policy rests with the Board of the Company.

7.0 Effectivity

This Policy shall come into effect from the date of adoption by the Company's Board meeting.