

# Taishin International Bank

## Supplier Maintenance & Management Guidelines

August 21, 2020 Approved by President of Taishin Bank

### Chapter 1 General Provisions

Article 1 The Supplier Maintenance & Management Guidelines (hereinafter referred to as the "Guidelines") have been established to serve as the uniform principle for supplier selection and tendering, while making sure that the quality of goods and services provided by suppliers are of consistent and compliant, to require suppliers fulfill corporate social responsibilities.

Article 2 The term "supplier" mentioned in the Guidelines shall refer to any contractor that provides services or products directly to the Bank and any subcontractor that the Bank has agreed to subcontract the services or products to.

Article 3 The term "supplier maintenance & management" mentioned in the Guidelines shall refer to the processes including supplier survey, document review, assessment, and registration, as well as performance evaluation, registration, and rating of corporate social responsibility, satisfaction surveys and satisfaction ratings. Supplier survey, document review, assessment, and registration procedures shall be the responsibility of the applicant. Corporate social responsibility evaluation, satisfaction surveys and ratings shall be the responsibility of the General Affairs Department, Administrative Services Division (hereinafter referred to as the "General Affairs Department").

Article 4 The Bank has established the supplier classification system that classify suppliers by content and amount of purchase each year and divide them into tier-1 major suppliers, tier-2 major suppliers and general suppliers(as shown in the table below).

Unit: NT\$

Supplier Classification	Procurement Team	Construction & Maintenance Team	Property Team
Tier-1 major supplier	≥\$15 million	≥\$5 million	≥\$5 million

Tier-2 major supplier	\$2.5 million(inclusive)~ \$15 million(exclusive)	\$2.5 million(inclusive)~ \$5 million(exclusive)	\$2.5 million(inclusive)~ \$5 million(exclusive)
General supplier	<\$2.5 million	<\$2.5 million	<\$2.5 million

Regarding the selection of suppliers in major procurement projects, the General Affairs Department may take into consideration a supplier's fulfillment of its CSR commitments. In addition, referring to the supplier section criteria, the General Affairs Department may ask suppliers to complete a Self- Assessment Questionnaire.

## Chapter 2 Supplier Selection

Article 5 Supplier evaluations shall be conducted for matters such as procurement of goods, computers, office equipment, and renovation and construction on the bank premises. The evaluation shall include, at the minimum, the provisions listed in Article 8 of the Regulations Governing Anti-Money Laundering of Financial Institutions. Inspections shall be conducted regarding the names of suppliers and their representatives, to confirm that the services or products provided to the Bank by the supplier are lawful, and that they comply with one of the following conditions:

1. Certified for ISO or other quality assurance systems of equivalent nature;
2. Is legally registered;
3. Having developed sound reputation in the business, is highly willing to accommodate the Bank's needs and delivers good service quality;
4. Is the designated supplier, given the specifications of the procurement involved;
5. Having produced a sample that passed requirements;
6. Having passed an on-site inspection.

Article 6 Priority in procurement projects should be given to purchasing products that are certified for environmental protection, water saving, energy efficiency and green building materials labeling or products with features such as regenerative material, recoverable or low-pollution. In addition, the suppliers should be selected meeting the requirements in

Article 5.

Article 7 A major procurement project is defined as a single purchase of NT\$15 million or more for the Procurement Team of the General Affairs Department or a single purchase of NT\$5 million or more for the Property Team or the Construction & Maintenance Team of the General Affairs Department.

Article 8 The registration procedures for supplier maintenance are as follows:

1. The responsible staff at each department shall fill out a Supplier Addition/Modification Form in the Centralized Operations System for Accounting and General Affairs.
2. After the form is submitted and approved, if a contract has not been signed with the supplier, a Payment Agreement that has had the supplier's seal affixed and a photocopy of the payment account passbook or bank statement need to be provided, and the documents shall be sent to Accounting Department of the Performance Management Division for subsequent review procedures and account creation. If the supplier is an individual, the documents shall be sent via registered mail or delivered in person.

### Chapter 3 Supplier Evaluation

Article 9 The General Affairs Department shall review the list of suppliers in all categories and classify them by amount of annual procurement every year. Suppliers meeting certain criteria will be asked to complete the self-assessment by following the Supplier Self-Assessment Questionnaire and perform supplier evaluation by following the Supplier Evaluation Form.

Results of the above evaluation will be effective for one year. The General Affairs Department need to require-suppliers to make further improvements based on the results of supplier evaluation.

Article 10 The General Affairs Department shall conduct monthly assessments, via satisfaction surveys, on the quality, timeliness of delivery, services, and technical capabilities etc. provided by suppliers that the Bank are dealt with for annual procurements, annual maintenance, and routine transactions. Based on the results of the General Affairs Department's

assessment, suppliers that exhibit good performance may have supply contracts renewed, while suppliers that exhibit undesirable performance are eliminated. If a supplier is a stakeholder of the Bank as defined in Article 45 of the Financial Holding Company Act, then it shall be handled in accordance with Taishin FHC's Administrative Measures for Related Persons and Related Transactions. If a supplier that provides services or products is involved in the outsourcing of the Bank's operations, then it shall be handled in accordance with the Taishin International Bank Internal Operating Procedures and Management Guidelines for Outsourced Services.

#### Chapter 4 Miscellaneous

- Article 11 Forms used in relation to the Guidelines include the Supplier Self-Assessment Questionnaire, the Supplier Evaluation Form, the Payment Agreement, and the Satisfaction Survey Form, all of which are available for download at the General Affairs Department's website (<http://intranetweb/總務部/www/>). Any amendment of any of the forms in the Guidelines shall come into effect upon approval of the division head overseeing the responsible department.
- Article 12 Any matters that are not addressed in the Guidelines shall be governed by relevant regulations and the Bank's "Office Supply Procurement Management and Inspection Regulations", "Computer Equipment Procurement Management and Inspection Regulations", "Regulations of Outsourcing and Inspection of Office Premise's Renovation Works " and other relevant rules.
- Article 13 The Guidelines have been implemented with the approval of the President of Taishin International Bank; the same applies to all subsequent amendments.