

# Continental Holdings Corporation

## Group Quality Policy

Effective Date: May 16, 2017

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### Purposes and Objectives

The Group Quality Policy (hereinafter referred to as "the Policy") addresses the overall intent and direction with respect to quality within Continental Holdings Corporation and all its branches and subsidiaries (hereinafter collectively referred to as the "Company"). The Policy states the CHC's commitment to quality, and outlines the implementation principles for continuous improvement of Quality Management at CHC.

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### Quality Statement

***Do Things Right The First Time; Achieve All Objectives As Defined.***

Quality is an integral part of daily business practices delivered by all employees at CHC. It is presented not only in our products and services, but also in our interactions with external and internal customers. It is also in the disciplines in following standard operation procedures as well as in the proactive behaviors in managing quality.

Compliance with contractual and regulatory requirements is just one of the basic obligations of Quality Management. Fulfilling customer needs and exceeding their expectations are the true essence of Quality Management.

CHC is committed to investing reasonable resources into Quality Management, in order to meet the high quality standards and to continuously satisfy customers. All employees are expected to foresee the customer needs in order to provide them with the best value and quality product or service. The Company aims to strive for quality excellence through innovation and continuous improvement.

### Key Principles

#### ■ Implement Quality Management System in Full Scale

To carry out our commitment to quality excellence, CHC implements a full-scale Quality Management System across all companies. Employees at all levels are individually responsible and accountable for the delivery of quality. Through the emphasis on customer-focused and process-oriented quality target setting and planning, the effectiveness of the Quality Management System can be measured against the implementation principles and guidance provided in this Policy.

- **Quality Objective and Target**

To implement the Quality Management System, CHC shall incorporate quality targets into business Key Performance Indicators (KPIs). The quality targets are monitored and reviewed as part of the business targets, and also link with a reward system for reinforcement.

To align the quality target with the business strategy, all functional units shall analyze their core business processes, identify and then manage those key factors in the processes that will affect quality.

Those quality targets shall not only be attainable, but also be challenging enough to drive quality standards. A clear work scope with defined ownership and accountability, collaborative and supportive teamwork, and robust supervision and monitoring system are the keys to achieving the quality targets; furthermore, to inspire all employees to strive for quality excellence.

- **Process Standardization**

The Company shall adopt a process-oriented approach to establish Standard Operation Procedures (SOPs), and to control and maintain all necessary documented information. Hence, by laying this groundwork of Quality Management System, the work can be carried out in an efficient fashion with consistent outcomes. The performance measures and targets of quality shall be identified and built into the development of a SOP. Therefore, the effectiveness and efficiency in delivering a quality work can be monitored and measured.

- **Assure Quality Performance with Proactive Management**

CHC expects employees to be self-disciplined and proactive, and encourages them to take initiatives for managing quality, in order to "Do Things Right the First Time." Moreover, by means of quality auditing and evaluation, the performance of Quality Management can be enhanced, and the high-quality products and services can be delivered on time and within budget.

- **Self-Disciplined and Self-Driven in Practice**

CHC expects the best quality performance and expects all employees to strive for it and to fulfill the quality standard in their daily practices. It is essential to enhance the competence and awareness in process management, as well as to proactively manage those factors that will affect the performance of quality. Employees shall be equipped with the required skills and mindsets for Quality Management, in order to "Do Things Right the First Time; Achieve All Objectives as Defined."

- **Quality Auditing and Assessment for Reinforcement**

To review the effectiveness and efficiency of the Quality Management, CHC shall conduct Quality Auditing and establish a performance evaluation mechanism. The quality performance review shall be applied to vendor, service provider and sub-contractor, to evaluate their capabilities in contract executions. Thus, the Company can manage the quality in all aspects to ensure that the overall quality is presented in our final products and services as well as in the processes of delivering them to our customers.

- **Quality Through Continuous Improvement and Innovation**

All employees shall continuously improve the present business practices and also explore new approaches and methods in fulfilling or even exceeding customer expectations. Employees are encouraged to break away from rigid thinking or behavior, and to introduce new ideas to further enhance the quality performance.

The feedback from quality performance review, Quality Auditing, data analysis, client evaluation report, and customer satisfaction survey all provide valuable inputs for quality enhancement. Through refining present processes and innovating new ones, CHC can realize continuous improvement on quality standards and strive for quality excellence.

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