

# Yuanta Commercial Bank Audit Committee Charter

Adopted by the 84th meeting of the 5th Board of Directors on May 24, 2007  
Amended by the 5th meeting of the 6th Board of Directors on August 16, 2007  
Amended by the 17th meeting of the 7th Board of Directors on February 10, 2011  
Amended by the 41st meeting of the 9th Board of Directors on November 23, 2017  
Amended by the 51th meeting of the 9th Board of Directors on April 26, 2018  
Amended by the 10th meeting of the 10th Board of Directors on September 26, 2019

- Article 1 This Organization Chart is enacted in accordance with the provisions of Article 3 of the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.”
- Article 2 The number of members, term of office, functions and powers, and meeting procedure of this Committee and resources that the Company shall provide when exercising its functions shall be subject to the provisions of the Organizational Charter.
- Article 3 The main purpose of the Committee is to oversee the following matters:
1. Fair presentation of the Company’s financial statements
  2. Appointment (dismissal), independence and performance of attest CPAs
  3. Effective implementation of the Company’s internal control
  4. The Company’s compliance with relevant laws and regulations
  5. Control of the Company’s presence or potential risks
- Article 4 The Committee shall compose of the entire Independent Directors. It shall have at least three members, one of whom shall be the convener, and at least one of whom shall have competence in accounting or financing expertise.
- The term of office of the members of the Committee is the same as the term of the Independent Directors. When the number of the Independent Director members on the Committee falls short than prescribed in the preceding paragraph or in the Articles of Association due to Independent Directors’ dismissal for any reason, a by-election shall be held as soon as possible in accordance with the provisions of the Articles of Association, or Independent Directors shall be appointed by Yuanta Financial Holding Co., Ltd. to fill the vacancy. When all of the Independent Directors are dismissed, a by-election shall be held in accordance with the provisions of the Articles of Association, or Independent Directors shall be appointed by Yuanta Financial Holding Co., Ltd. to fill the vacancy within 60 days from the date of event.
- Article 5 Except those set forth in Paragraph 4, Article 14-4 of the Securities and Exchange Act, functions and powers conferred by the Securities and

Exchange Act, the Company Act, the Financial Holding Company Act, and any other law to be exercised by Supervisors shall be exercised by the Committee.

The provisions of Paragraph 4, Article 14-4 of the Securities and Exchange Act, in regard to the Company Act with respect to the actions of Supervisors or their role as representatives of the company, shall apply mutatis mutandis to the Independent Director members of the Committee.

Article 6 The functions and powers of the Committee are as follows:

1. The adoption of or amendments of the internal control system pursuant to the provisions of Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment of the procedures for material financial business activities such as acquisition or disposition of assets, engaging in derivative transactions, and providing loans, endorsements and guarantees to others, in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
4. Matters in which a Director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Review of the procedures of material financial business activities such as acquisition or disposition of assets.
7. Offering, issuing or private placement of securities of an equity nature
8. Appointment, dismissal or remuneration of attest CPAs
9. Appointment and dismissal of financial, accounting, or internal audit supervisors.
10. The annual financial report signed or stamped by the chairman of the board, the manager, and the accounting supervisor, and the second quarter financial report that must be reviewed and certified by an accountant.
11. Supervise the bank culture establishment and review the annual implementation results.
12. Other major matters stipulated by the Company or the executives.

The matters under the preceding paragraph shall obtain majority consent of the entire members of the Committee and be submitted to the Board of Directors for resolution.

Any matter, except Subparagraph 10, of Paragraph 1, that has not been consented by majority of the entire members of the Committee may be adopted with the consent of two thirds or more of the entire members of the Board of Directors, without being subject to the restriction prescribed in the preceding paragraph, and the resolutions of the Audit Committee shall be

recorded in the minutes book of the board meeting.

The entire members referred to in this Organizational Charter are those who are the actual incumbents.

The convener of the Committee shall represent the committee externally.

Article 7

The Committee meeting shall be convened monthly, and it may be convened at any time as necessary.

For the convening of the Committee meeting, a notice stating the reasons for the convening shall be sent to the Independent Director members seven days prior to the meeting, unless there are urgent matters.

The Committee's entire members shall select from among themselves a convener and chairman of the meeting. If the convener is absent or cannot convene a meeting for any reason, the convener shall appoint one of the other Independent Director members as the Acting Chairman of meeting. If the convener does not appoint an Acting Chairman, the Independent Director members of the Committee shall select an Acting Chairman among themselves.

The Committee may invite relevant department managers, internal audit personnel, accountants, legal counsel or other personnel to be in attendance in the meeting and provide relevant information. However, they shall be excused during discussion and voting.

When the Committee calls a meeting, it shall furnish the attending members at the meeting with relevant materials for reference at any time.

Article 8

When the Committee is convened, the Company shall prepare a sign-in book for the present Independent Director members to sign in and for future reference.

Independent Director members shall attend the Committee meetings in person; if a member is unable to attend in person, he/she may entrust other Independent Director member as proxy to attend the meeting. Attendance via video conferencing is deemed as attending in person, provided that they shall fax the sign-in book in lieu of proxy signature.

When members of the Committee entrust other Independent Director members to attend the Committee meeting as proxies, they shall issue a Proxy Authorization Statement each time and list the authorization scope of the matters for the convening.

The resolution of this Committee shall have the consent of more than half of the entire members. The result of the voting shall be reported on the spot and recorded.

If for a legitimate reason it is impossible to convene a Committee meeting or for the Committee to come to a resolution, except for the matters prescribed

in Subparagraph 10, Paragraph 1 of Article 6, it shall be adopted with the consent of two thirds or more of the entire Board of Directors. Nevertheless, a written opinion indicating approval or disapproval shall be obtained from each Independent Director member with respect to the matters prescribed in Subparagraph 10, Paragraph 1 of Article 6.

The proxy prescribed in Paragraph 2 is limited to be the proxy of only one member.

Article 9 A minutes book shall be made for the proceedings of the Committee's meeting, and the minutes book shall record the following matters in detail:

1. Session of the meeting, and date, time and venue of the meeting
2. Name of the chairman of the meeting
3. Attendance status of Independent Director members, including the names and numbers of persons who are present, absent with apologies, and absent.
4. Names and titles of the persons in attendance
5. Name of the minutes taker
6. Announcement
7. Discussions: For each proposal, the method of resolution and the result; a summary of the comments made by the Independent Director members of the Committee, experts, and other persons at the meeting; the name of any Independent Director who is an interested party as referred to in the provisions of Paragraph 1 of Article 11; an explanation of the important content of personal interest matter; the reasons whether the Independent Director shall recuse himself/herself, and the status of the recusal; and any objections or reservations expressed at the meeting.
8. Extempore motions: The name of the proposer; resolution method and outcome of the motion; a summary of the comments made by the Committee's Independent Director members, experts and others at the meeting; the name of any Independent Director who is an interested party as referred to in the provisions of Paragraph 1 of Article 11; an explanation of the important content of personal interest matter; the reasons whether the Independent Director shall recuse himself/herself, and the status of the recusal; and any objections or reservations expressed at the meeting.
9. Other mandatory provisions.

The Committee's sign-in book constitutes part of the minutes book, and shall be properly retained during the Company's continuation.

The minutes book shall be signed and affixed with chops by the chairman of

the meeting and the minutes taker, and shall be thereafter distributed to the Independent Director members of the Committee within twenty days after the meeting, included in the Company's important document files, and perpetually retained during the Company's continuation.

The preparation and distribution of the minutes book prescribed in Paragraph 1 may be effected by electronic means.

Article 9-1

The Company shall document the entire proceedings of the Committee's meeting in video or audio recording, and retain the record for at least five years. The aforesaid record may be retained in electronic form.

If a litigation with respect to the matters related to resolutions of the Committee meetings occurs prior to expiration of the retention period specified in preceding paragraph, the relevant audio or video records shall be retained until the litigation ends.

When the Committee meeting is convened via video-conferencing, the video and audio information shall also be deemed as part of the minutes book, and shall be perpetually retained during the Company's continuation.

Article 10

The agenda of the Committee meeting is set by the relevant units according to the convener's instruction. Other members may also provide proposals for the Committee to discuss.

Article 11

An Independent Director member of the Committee who has a personal interest with respect to a given agenda of the meeting shall explain to the Committee the important content of such interest; if such interest is likely to prejudice the interests of the Company, such Independent Director shall not join discussion, vote nor exercise the voting right on behalf of another Independent Director member, and shall recuse himself or herself during the discussion and voting.

If, for the reason stated in the preceding paragraph, the Committee is unable to come to a resolution, it shall be reported to the Board of Directors for resolution.

Article 12

The Committee or its Independent Director members may appoint lawyers, CPAs or other professionals on the Company's behalf, to provide necessary audit, review, or consultation on matters related to its exercise of functions and powers, and the expense shall be borne by the Company.

Article 13

The Committee members shall exercise the due care of a good administrator, faithfully perform the functions and powers prescribed by this Organizational Charter, be responsible to the Board of Directors, and submit proposals to the Board of Directors for discussion and resolutions.

Article 14

The Committee shall timely review the matters related to this Organizational

Charter in order for the Board of Directors to amend.

For matters related to the Committee's resolutions, the relevant execution may be authorized to the convener or other members of the Committee for the subsequent affairs and for providing written or oral reports to the Committee during the execution period, and it shall be reported to the Committee or submitted to the Committee for ratification at the next meeting if necessary.

Article 15 This Organizational Charter is implemented after the adoption of the Board of Directors, and the same shall also apply to any revision thereto.