

Yuanta Commercial Bank

Rules and Procedures of Board Meetings

Adopted by the 72nd meeting of the 5th Board of Directors on December 28, 2006

Amended by the 5th meeting of the 6th Board of Directors on August 16, 2007

Amended by the 81th meeting of the 6th Board of Directors on June 24, 2010

Amended by the 63th meeting of the 7th Board of Directors on November 22, 2012

Amended by the 41st meeting of the 9th Board of Directors on November 23, 2017

Amended by the 27st meeting of the 10th Board of Directors on May 28, 2020

Amended by the 17st meeting of the 11th Board of Directors on January 16, 2023

Article 1 In order to establish a good board governance system at the Bank, these Rules and Procedures are enacted for compliance, in accordance with the provisions of Article 26-3 of the “Securities and Exchange Act,” Article 39 of the “Corporate Governance Best-Practice Principles for Banks,” and the “Regulations Governing Procedure for Board Meetings of Public Companies.”

Article 2 The Bank’ Board of Directors shall be convened every two weeks, in principle.

A written notice stating the reasons for convening, and the date, time and venue of the board meeting shall be given (via mail, fax or email) to each Director and Independent Director seven days prior to the meeting. However, a board meeting may be called at any time when the Chairman of the Board deems it necessary or there are urgent circumstances.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

Article 3 The Board of Directors or the designated proceeding units shall prepare the agenda of the board meetings for the Bank’s regularly held meeting of the Board of Directors, and provide sufficient meeting materials to be sent together with the convening notice.

The matters described in the subparagraphs under Paragraph 1, Article 11 of these Rules and Procedures shall be set out in the meeting notice and may not be raised by an extemporary motion.

If Directors think that the meeting materials are insufficient, they may request supplementary information from the proceeding units prior to the meeting.

If Directors think that the information of a proposal is insufficient, the discussion may be postponed after the resolution of the Board of Directors.

Article 4 When the Bank convenes a board meeting, a signature book shall be set

up for directors present to sign in for inspection. Those who participate through web conferencing will be deemed as meeting in person.

Directors shall attend the board meeting in person. If they are unable to attend in person, they may entrust other directors to attend the meeting on their behalf by the Articles of Association of the Bank.

When a director entrusts another director to attend the board meeting on his or her behalf, he or she shall issue a power of attorney each time, and list the scope of authorization for the reason for the convening.

The trustee in the preceding two paragraphs are limited to those who are entrusted by one person.

The annual attendance rate (excluding entrusted attendance) of each board director shall be above 80% and included in the director's performance evaluation.

Article 5 The venue and time of the Bank's Board of Directors meeting shall be at the Bank's location and during the Bank's business hours or where and when it is convenient for Directors to attend and suitable for the board meeting to be held.

Article 6 The board of directors shall be convened by the chairman, who shall serve as the president. However, the first meeting of the board of directors shall be convened by the convener of the board of directors appointed by the holding company. The chairman of the meeting shall be the convener. According to Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, if the board of directors is convened by more than half of the directors, one of the directors shall be elected as the chairman. When the chairman asks for leave or is unable to exercise his powers for some reason, the vice chairman shall act on his behalf; when the vice chairman also asks for leave or is unable to exercise his powers for some reason, the chairman shall appoint a director to act on his behalf; if the chairman does not designate an representative, one of the directors shall be elected as the representative.

Article 7 When the Board of Directors meeting is convened, personnel from relevant departments or subsidiaries may be notified to be in attendance in the meeting according to the content of the agenda.

If necessary the chairman of the meeting may invite CPAs, lawyers, or other professionals to be in attendance in the meeting to provide relevant information. However, they shall be excused during discussion and voting.

The chairman of the board meeting shall call the meeting to order at the designated time when a quorum of more than half of the Directors is present. At the scheduled time of the meeting, if half of the entire Directors are not present, the chairman may announce the postponement of the

meeting, and the number of delays is limited to two times, with the total time of the delay not exceeding one hour. The chairman shall reschedule the meeting in accordance with the procedure prescribed in the provisions of Paragraph 2 of Article 2, due to lack of quorum after the two postponements.

The term "entire Directors" referred to in these Rules and Procedures are the Directors then actually in office.

Article 8 After the present Directors address the meeting, the chairman of the meeting may personally reply or designate the relevant personnel to reply. If Directors speak before being recognized by the chairman, speak repeatedly on the same proposal, make lengthy speeches, or make speeches that go beyond the scope of the agenda, affecting other Directors' speeches or obstructing the meeting, the chairman of the meeting may stop their speeches or eliminate their actions, in order to facilitate the meeting.

Article 9 The Bank's Board of Directors meeting shall proceed in accordance with the content of the agenda scheduled on the meeting notice. However, with the consent of the majority of the Directors present at the meeting, the agenda may be altered.

Regarding the content of the agenda scheduled in the preceding paragraph and the extempore motion, the chairman of the meeting shall not directly announce the adjournment of the meeting without the consent of more than half of the Directors present at the meeting.

During the meeting, the chairman of the meeting has discretion to declare a recess.

Article 10 The agenda of the Bank's regular board meetings shall include the following:

1. Announcement: (Presented in each regular board meeting, respectively)
 - (1) Minutes of the last meeting and action taken
 - (2) Important financial matters;
 - (3) Internal audit matters;
 - (4) Other important matters to be reported.
2. Discussions:
 - (1) Items for continued discussion from the last meeting;
 - (2) Items for discussion at this meeting
3. Extempore motions

Article 11 The following matters shall be proposed to the Bank's board of directors

for discussion:

1. Convening a shareholders' meeting.
2. Proposal to amend the articles of association of the Company.
3. The Company's business plan.
4. Engagement or dismissal of perennial legal advisors.
5. The election or discharge of the chairman of the board of directors.
6. Formulate or amend the internal control system by Article 14-1 of the Securities and Exchange Act (hereinafter:"the Act"),and assess the effectiveness of the internal control system and issue a statement on the internal control system.
7. Formulate or amend the procedures for major financial and business moves of acquiring or disposing of assets, engaging in derivative commodity transactions, lending funds to others, or endorsing or providing guarantees for others by Article 36-1 of the Securities and Exchange Act.
8. Matters involving the directors' own interests.
9. Raising, issuing or privately placing equity-backed securities.
10. Appointment and removal of managers, financial, accounting, or internal audit, risk management and legal compliance supervisors.
11. Appointment, dismissal, or remuneration of certified public accountants.
12. 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 accountants.
13. Donations to stakeholders or major donations to non-stakeholders. However, public welfare donations for emergency relief due to major natural disasters may be ratified by the next board of directors.
14. Appointment and removal of management personnel not falling under Subparagraph 10 of this Paragraph.
15. Other matters that should be resolved by the shareholders' meeting or referred to the board of directors or major matters stipulated by the executives by laws or regulations.

Matters prescribed in Subparagraphs 6 to 12 of the preceding paragraph and other material matters specified by the Company or the competent authority shall be approved by more than a half of the entire members of the Audit Committee. Except for the matters prescribed in Subparagraph 12, matters not adopted by more than half of the members of the Audit

Committee may be adopted by more than two-thirds of the entire Directors, and the resolutions of the Audit Committee shall be stated in the minutes book of the board meeting.

The term “related party” referred to in Subparagraph 13, Paragraph 1 means a related party as prescribed in the “Regulations Governing the Preparation of Financial Reports by Securities Issuers;” The term “major donation to a non-related party” means the scenarios where an individual donation, or cumulative donations within a one-year period to a single recipient have one of the following situations:

1. Reaching an amount of NT\$100 million or more;
2. Reaching an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report of the most recent year;
3. Or reaching a lower amount as stipulated otherwise in the Bank’s other regulations.

The term “within a one-year period” in the preceding paragraph means a period of one year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation.

The Bank’s Board of Directors meeting shall have at least one Independent Director present in person. For the matters that shall require the resolution of the Board of Directors meeting as prescribed in Paragraph 1, all Independent Directors shall be present at the meeting. If an Independent Director is unable to attend in person, he/she shall entrust another Independent Director to attend the meeting as proxy. If an Independent Director objects to or expresses reservations about such a matter, it shall be recorded in the Board of Directors’minutes book; if an Independent Director intends to express an objection or reservation but is unable to attend the meeting in person, in addition to having a legitimate reason, the said Director shall issue a written opinion in advance, which shall be recorded in the Board of Directors’minutes book.

Article 12 When the chairman considers that the discussion of the proposal has progressed to voting, he may announce that the discussion will be stopped and put it for voting.

When the resolution of the Bank’s Board of Directors is voted on, it will be deemed as passed if the chairman has no objection to the directors present; and its effect is the same as that of voting. If there is any objection

after consultation by the chairman, it shall be put to a vote. The voting method is a show of hands, and the chairman will calculate and announce the voting results on the spot.

Article 13 Each Director has one vote. Except otherwise provided by the Securities and Exchange Act and the Company Act, the adoption of a proposal at a board meeting shall require the approval of a majority of the present Directors at a Board of Directors meeting attended by a majority of all Directors

When the same proposal has an amendment or alternative, the chairman of the meeting shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is adopted, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

The result of the voting shall be reported on the spot and recorded.

Article 14 Directors shall uphold a high degree of self-discipline. Those who are stakeholders in the matters of the meeting with themselves or the legal person they represent shall explain the important content of their stake at the current board meeting. If it is in conflict with the interests of the company, they shall not participate in the discussion and voting, and shall abstain from discussion and voting, and shall not exercise their voting rights on behalf of other directors. Directors should also be self-disciplined and must support one another.

If the director's spouse, second-degree relatives, or a company with which the director has a controlling affiliation, has stake in the matter of the meeting in the preceding paragraph, the director shall be deemed at stake in the matter.

For resolutions of the board of directors, those who cannot exercise voting rights under the provisions of the preceding two paragraphs shall not be counted as the number of voting directors present.

Article 15 The Bank shall document the entire process of the Board meeting in video or audio recordings, 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 board 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, and the provisions of the preceding paragraph is not applicable.

If the Board of Directors meeting is held via video conferencing, the audio

and video recordings of the meeting shall be part of the minutes book and shall be permanently retained.

Article 16 A minutes book shall be made for the proceedings of the board meeting, and the minutes book shall record the following matters in detail:

1. Session (or year) of the meeting, and date, time and venue of the meeting
2. Name of the chairman of the meeting
3. Attendance status of Directors, 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 Directors, Independent Directors, experts and other persons at the meeting; the name of any Director who is an interested party as referred to in the provisions of Paragraph 1 of Article 14; an explanation of the important content of personal interest matter; the reasons whether the Director shall recuse himself/herself, and the status of the recusal; any objections or reservations with records or written statements; and written opinions issued by Independent Directors.
8. Extempore motions: The name of the proposer; the resolution method and the result of the motion; a summary of the comments made by the Directors, Independent Directors, experts and other persons at the meeting; the name of any Director who is an interested party as referred to in the provisions of Paragraph 1 of Article 14; an explanation of the important content of personal interest matter; the reasons whether the Director shall recuse himself/herself, and the status of the recusal; any objections or reservations with records or written statements.
9. Other mandatory provisions.

Any resolution matters of the Board of Directors meeting, if they have any of the following circumstances, shall be stated in the minutes book and shall be publicly announced and reported on the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the Meeting:

1. Any objection or expression of reservations by an Independent Director of which there is a record or written statement;

2. A resolution adopted with the approval of two-thirds or more of all Directors, without having been adopted by the Bank's Audit Committee

The Board of Directors' sign-in book constitutes part of the minutes book and shall be permanently retained.

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 Directors and Independent Directors within twenty days after the meeting, included in the Bank's important document files, and perpetually retained during the Bank's continuation.

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

Article 17 These rules shall come into force after being approved by the Bank's Board of Directors, and the same shall apply to amendments.