

## **Corporate Governance Best Practice Principles of CHB**

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### **Chapter I General Principles**

#### **Article 1**

In order to establish a good corporate governance system and efficient corporate governance framework for better development of the Bank's business, the Bank hereby adopts "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", "Corporate Governance Best Practice Principles for Banking Industry", and related regulations as reference to promulgate the Principles to follow.

#### **Article 2**

The Bank shall establish corporate governance system by focusing on capital adequacy, asset quality, ability for business management, profitability, asset liquidity, risk sensitivity and follow the principles as below:

1. Comply with regulations and consummate internal management.
2. Protect the rights and interests of shareholders.
3. Strengthen the powers of the board of directors.
4. Fulfill the functions of every functional committee under the board of directors.
5. Respect the rights and interests of stakeholders.
6. Enhance information transparency.

### **Chapter II Comply with Regulations and Consummate Internal Management**

#### **Article 3**

The Bank shall establish a legal compliance system with advisory 、coordination 、communication subsystems, which was planned, managed and enforced by compliance department. The Bank shall provide compliance training to related units.

The Chief Compliance Officer is in charge of execution of compliance affairs to ensure of the effectiveness of the compliance system of the Bank and strengthen the self-discipline.

#### **Article 4**

The Bank shall establish complete internal control system with effective execution, and the board of directors shall take ultimate responsibility for it. Senior executive management shall be directed and supervised by the board of directors, and follow business strategies, risk appetite, remuneration and related policies approved by the board of directors, to develop procedures for identifying, measuring, monitoring and controlling risks of the Bank and formulate an effective internal control system. The organization, procedures and decisions of management shall be transparent and clear. The role, authority and responsibility of each position shall be clarified as well.

Unless otherwise provided by regulations, the revision of internal control system shall be approved by more than 1/2 members of Audit Committee and submit to the board of directors for a resolution, in accordance with Audit Committee Charter of the Bank, and if there is any objection or reservation from independent director, shall be recorded in the directors' meeting minutes.

#### Article 5

The internal control systems of the Bank shall cover operational activities, and formulate proper policies and procedures for organization charter, business regulations and SOP. The Bank shall review those policies and procedures periodically and revise them if related regulations, business items or operating procedures have changed, with involvement of the compliance department and the internal audit department if necessary.

#### Article 6

The internal audit system of the Bank is to audit and assess whether the internal control system is effectively operating, to measure the efficiency of business operations, and to provide timely recommendations for improvement, all for the purposes of ensuring the on-going and effective implementation of the internal control system and assisting the board of directors and management in fulfilling of their duties.

The internal audit department of the Bank shall execute the internal audit affairs in a spirit of independence and impartiality and report to the board of directors on a regular basis.

The Bank shall establish channels and mechanisms of communication between independent directors, audit committee, and internal auditing officers, and report the implementation to the GSM.

Directors of the Bank shall periodically hold discussions with our internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.

The appointment, evaluation, remuneration of the internal auditors shall be reported to the board of directors, or approved by the chairperson with a report signed by the Chief Internal Auditors.

To put the internal control system into effect, strengthen the professional abilities of the agent of the internal auditor and to further improve and maintain the quality and implementing result of the audit, the Bank shall have a deputy in place for the internal auditing officers.

Articles 12, 13, 20, and 21 of the “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries” shall apply mutatis mutandis to the deputy as referred to in the preceding paragraph.

#### Article 7

The Bank shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters.

The efficiency assessment of internal control system shall be approved by more than 1/2 members of Audit Committee and submit to the board of directors for a resolution.

The management of the Bank shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

#### Article 8

The Bank shall establish three lines of defense in internal control system under procedures made by authorities, including self-inspection system, legal compliance system and risk management mechanism, and internal audit system to ensure their on-going and effective operation.

#### Article 9

The internal audit department of the Bank shall continually conduct follow-up reviews on any examination opinions or audit deficiencies brought up by the financial examination authority, CPA, or internal audit department, in order to utilize the internal audit and external audit reports efficiently, and optimize their control functions.

#### Article 9-1

The internal auditors and chief compliance officer of the Bank shall immediately prepare a report for the board of directors, with a notice to the competent authority, when their recommendations for improvements regarding significant deficiencies

or noncompliance identified in internal controls are not accepted by management and as a result the Bank might incur material losses.

#### Article 9-2

The Bank shall deploy an adequate number of corporate governance personnel with appropriate qualifications based on the business situations and management needs, and to appoint a chief corporate governance officer as the most senior officer, in accordance with relevant regulations, to be in charge of corporate governance affairs.

The appointment or dismissal of the Chief Corporate Governance Officer shall be approved under a board resolution. In the event of resignation or dismissal of the Chief Corporate Governance Officer, the Bank shall appoint another person to fill the vacancy within 1 month from the date of occurrence.

The Chief Corporate Governance Officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a security, financial, or futures related institution or a public company in handling legal affairs, compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting in onboarding and continuous development of directors.
4. Furnishing information required for business execution by directors.
5. Assisting directors with legal compliance.
6. Reporting to board meetings on whether the qualifications of independent directors during the nomination, election, and tenure period are in accordance with relevant laws and regulations.
7. Handling matters relating to changes of Directors.
8. Other matters set out in the articles of corporation or contracts.

In the case of the Chief Corporate Governance Officer is also a manager of the Bank, related affairs shall be governed by the provisions of the Company Act and the Securities and Exchange Act.

Unless otherwise provided by regulations, the Bank may appoint a person holding another position and serve as its Chief Corporate Governance Officer simultaneously. In that case, the Bank shall ensure that the functions and duties of both positions of that person are executed effectively, without conflicts of interest or violations of the internal control system.

The Bank shall arrange professional education for the Chief Corporate Governance Officer. A new chief corporate governance officer shall complete a minimum of 18 hours of continuing education courses within 1 year from the date of appointment to that position, and a minimum of 12 hours of continuing

education courses in each following year. The range of continuing education, education system and other related affairs, shall be subject mutatis mutandis to the provisions of the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.

### | | |--| | Chapter III Protect the Rights and Interests of Shareholders | |--|

#### Article 10

The corporate governance system of the Bank shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

The Bank shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Bank.

#### Article 11

The Bank shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Bank shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Bank shall comply with laws, regulations and articles of incorporation.

#### Article 12

The board of directors of the Bank shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with the assistance of video conferencing, sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson shall chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

#### Article 13

The Bank shall encourage its shareholders to actively participate in corporate governance. It is advisable that the Bank engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis.

The Bank shall seek all ways and means, including fully exploiting technologies for information disclosure and voting, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Bank shall adopt electronic voting and candidate nomination system for the election of directors, and it is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Bank is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System or the official website of the Bank.

The Bank shall deliver shareholders' meeting memorabilia to solicitors under the principle of fairness.

#### Article 14

The Bank, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Bank during its legal existence, and shall be sufficiently disclosed on the Bank's website.

#### Article 15

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Bank. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at his/her own will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a

new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

#### Article 16

The Bank shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Bank.

To treat all shareholders equally, it is advisable that the Bank concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, the Bank shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

Insiders of the Bank shall comply with relevant regulations about insider trading within the Securities and Exchange Act and the Bank's "Ethical Corporate Management Best Practice Principles", and directors shall not be allowed to trade shares of the Bank in the lock-up period, which is 30 days before the announcement of the annual financial report, and 15 days before the announcement of the quarterly financial report.

The calculation of aforesaid lock-up period shall be in accordance with relevant regulations formulated by competent authorities, Taiwan Stock Exchange Corporation, or trade association of financial industry. The Bank shall provide written notice (electronic notification is allowed as well), with rules about lock-up period and prohibition of shares trading, to the directors before the lock-up period.

#### Article 16-1

The Bank shall formulate internal rules of donation and submit them to the board of directors for resolutions, and donations to political party, stakeholders and public interest groups shall be disclosed publicly.

#### Article 17

The shareholders shall be entitled to profit distributions by the Bank. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the Bank.

The board of directors, audit committee, and managers of the Bank shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

#### Article 18

In entering into material financial and business transactions such as acquisition or disposal of assets, the Bank shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

The Bank shall conduct investments with discretion in corporate governance of invested public companies as references.

#### Article 19

In order to protect the interests of the shareholders, it is advisable that the Bank shall handle shareholder proposals, inquiries, and disputes properly.

The Bank shall objectively and properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Bank's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Bank's Articles of Incorporation by any directors or managers in performing their duties.

It is advisable that the Bank adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

#### Article 19-1

The board of directors of the Bank is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of the Bank's objectives.

#### Article 19-2

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Bank together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.



## Article 20

A corporate shareholder having controlling power over the Bank shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Bank to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by its Bank with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
3. It shall comply with relevant laws, regulations and the Articles of Incorporation of the Bank in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the Bank by methods of unfair competition.
6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the Bank's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

The following principles should be emphasized in order to comply with the aforesaid regulations regarding the communication and contact between controlling shareholders and the Bank:

1. Basically, communication should be conducted through the representative appointed by the shareholder who was elected as the director of the bank. If necessary, the director representative may invite the management personnel of the bank to accompany the director to communicate with the shareholder, and the bank should keep a minute of the communication.
2. If controlling shareholders have suggestions regarding resolutions of the board meetings or the Bank's business decisions, their director representatives should put forward them at the board meetings or functional committees for the exchange of opinions and discussions, and shall not convene meetings by themselves or improperly intervene in the Bank's decision-making in any other way.
3. Controlling shareholders shall be obliged to keep the significant information of the Bank confidential until the information has been publicly disclosed, and shall not engage in insider trading by using such information.

## Article 21

The Bank shall clearly identify the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel,

assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

#### Article 22

In order to prevent the Bank's interested parties from engaging in improper extension of credit, and thereby damage the rights and interests of the shareholders and depositors and affect the Bank's sound operations, the Bank shall restrict the extension of credit on the major shareholders, investee enterprises, responsible persons and staff of the Bank, or stakeholders with the Bank's responsible persons or credit-granting staff. The Bank shall comply with The Banking Act and relevant regulations prescribed by the competent authority about the limitation of the extension of credit to interested parties.

#### Article 23

To avoid damages on right and interests of the Bank and its shareholders caused by improper transfer of benefits, the Bank shall enter a real estate transaction with its major shareholders, investee enterprises, managers, staffs, or stakeholders of managers under the rules of fair, justice, objective, and regular business operation. Aforesaid transactions shall comply with the Banking Act and relevant regulations formulated by competent authorities.

#### Article 23-1

The Bank shall establish a development plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

#### Article 24

The chairperson or president of the Bank is not allowed to act as the chairperson, president or equivalent titles of other non-financial enterprises. However, the person is not subject to the restrictions if the person takes a position of a corporate or non-profit corporate.

The concurrent holding of positions and the number of concurrently held positions of the responsible person of the Bank shall be subject to the principle that the responsibilities of the principal position and the concurrent positions are both effectively performed, and may not result in any conflict of interests or any violation of the internal controls of the institutions.

The Bank shall on a regular basis evaluate the performance of a responsible person concurrently holding different positions under Paragraph 2, having regards to its investment management needs, risk management policies, the evaluation results shall serve as an important reference to determine whether the concurrently held position(s) will be maintained or reduced in number.

Unless otherwise provided by the laws and regulations, a manager of the Bank may not serve as a manager of its affiliated enterprises.

#### Article 24-1

A manager who holding different positions shall follow relevant laws and internal managing mechanism such as “CHB Code of Conduct”, “CHB Ethical Corporate Management Best Practice Principles”, “CHB Code of Ethical Conduct”, “CHB Stewardship Principles”, “CHB Long-term Equity Investment and Overseas Subsidiary Bank Management Guideline”, and execute business by provisions as below :

1. Prevent conflicts of interest: the manager shall take into account the Bank’s interest as his/her priority, and adopt proper measures to prevent conflicts of interest.
2. To avoid measures of information misuse: the manager shall avoid misuse of information from its business of his positions, and strictly observe the responsibility of confidentiality and no insider trading.
3. Duty of loyalty: the manager shall execute his business under the duty of loyalty and principle of integrity management.
4. Mechanism of hierarchical responsibility: the manager shall follow the rules of division of accountability and responsibility, and execute relevant procedures to ensure hierarchical responsibility.
5. Duty and title shall match his/her accountability and responsibility: the Bank shall establish clear procedures of assignment to select manager with perfect accountability and responsibility for holding positions.
6. Clear and precise reporting system: the manager shall submit related reports of business, inspections and examinations, and execute preview of material resolutions and announce material items.

#### Article 24-2

The chairperson and president of the Bank, who act as titles of other non-financial enterprises, shall offer letter of commitment under preceding article and avoid conflict of interest. Specific items shall be included as below:

1. The titles of other non-financial enterprises are without accountability and responsibility of chairperson, president, or equivalent titles.
2. The control mechanism of stakeholders shall be fully executed to comply with relevant regulations.
3. Fulfill the duty of loyalty, take into account the Bank’s interest as priority when facing conflict of interest, and avoid investments or transactions based on information from held positions of the Bank.

#### Article 24-3

Directors of the Bank who does anything for himself/herself or on behalf of another person that is within the scope of the Bank's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

#### Article 25

The Bank shall establish sound management objectives and systems for finance, business and accounting in accordance with relevant laws and regulations. The Bank may set a large exposures control system depending on the business situation.

#### Article 26

When the Bank and its stakeholders or shareholders enter into financial or business transactions, a written agreement governing the relevant financial and business operations between each other shall be made in accordance with the principle of fair dealing and reasonableness. Both parties shall definitively stipulate the terms and conditions of the price and payment mechanism, and desist from any transactions that are other than at arm's length and improper benefit transfers.

When handling financial transactions or operations relating to the preceding paragraph, the Bank shall comply with internal rules such as "Assets Acquisition and Disposal Procedures", "Operational Guidelines for Handling Stakeholder Credit Approval Operations", "Operational Guidelines for Handling Transactions Other than Stakeholder Credit Approval Operations", "Long-term Equity Investment Business and Subsidiary Management Guidelines" and "Overseas Subsidiary Management Guidelines" and other relevant specifications and operating procedures. For transactions which qualified as "Significant transactions", the proposal should be submitted to the board meetings for approval and/or shareholders' meeting approval in accordance with the regulations, and report to the upcoming shareholders' meeting.

The "significant transaction" mentioned in the preceding paragraph, except for transactions between the Bank and its subsidiaries or between subsidiaries, if it is a labor or technical service transaction, shall mean that the estimated annual transaction amount reaches 5% of the latest consolidated total assets or the latest annual consolidated net operating income of the Bank; if it meets the requirements of the Bank's "Acquisition and Disposal Procedures", it shall be handled accordingly. Significant transactions between the Bank and related parties shall be fully disclosed in the annual report, financial statements, criteria governing preparation of affiliation reports, consolidated business reports and consolidated financial statements of affiliated enterprises and prospectuses.

#### Article 27

The Bank shall ensure the command at any time of information on the identity of a shareholder who owns 1 percent or more of the equity shares of the Bank or whose equity shareholding ratio is among the top 10 shareholders.

The Bank shall disclose periodically important information about its shareholder who owns more than 10 percent of the shares, relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in

the ownership of their shares.

#### Chapter IV Strengthen the Powers of the Board of Directors

##### Article 28

The Board of directors shall be responsible for the Bank's business strategies and major policies, supervise the management effectively, and be responsible to all shareholders.

Procedures and arrangements relating to corporate governance shall ensure that, in exercising its powers, the Board of Directors shall comply with laws, regulations, the articles of incorporation, and resolutions of shareholders' meetings of the Bank.

##### Article 29

The structure of the Bank's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as Bank's managers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Bank's business operations, operating dynamics, and development needs be formulated and included, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, race, and culture. Among them, the proportion of female directors in the board of directors should reach one-third of the directors.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct risk management.
5. Ability to conduct crisis management.
6. Knowledge of the industry.
7. An international market perspective.
8. Ability to lead.
9. Ability to make policy decisions.

#### Article 29-1

The board of directors shall recognize risks of the Bank operations, and shall ensure the effectiveness of risk management, and shall be ultimately responsible for it.

The Bank shall formulate adequate risk management policies and operating procedures to be approved by the board of directors and be reviewed and revised timely.

The Bank shall establish an independent risk management unit and regularly submit risk management reports to the board of directors; upon identifying a significant risk exposure that might adversely affect its financial or business status or compliance with laws or regulations, it shall take immediate and adequate countermeasures and submit a report to the board of directors.

#### Article 29-2

The Bank shall establish a governance structure to promote sustainable development, set up a dedicated unit to promote sustainable development, and conduct risk assessments on environmental, social or corporate governance issues related to the Bank's operations, formulate relevant risk management policies or strategies. The board of directors should supervise the promotion of sustainable development and establish a schedule for disclosing greenhouse gas inspection and disclosure which should be reported to the board of directors for quarterly management.

#### Article 30

The Bank shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, stipulate a fair, open, and just procedure for the election of directors, encourage shareholders' participation, and shall adopt the cumulative voting system in accordance with the Company Act to fully reflect opinions of shareholders.

A candidate nomination system is adopted by the Bank for election of the directors, and the adoption of such system shall be stipulated in the articles of incorporation.

The shareholders shall elect the directors among the nominees listed in the roster of director candidates.

Nomination of candidates, qualification screen procedures, and content and method of announcement on the election of directors shall be complied with the provisions of Article 192-1 of the Company Act.

The Bank shall review qualifications of the candidates, the existence of any matters set forth in the Article 30 of the Company Act and Article 3 of the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks, before he/she is so elected with respect to the director candidates recommended by shareholders or the Board of directors. The Bank shall execute relevant procedures in accordance with the provisions of Article 192-1 of the Company Act.

More than half of the Bank's directors shall not have a second degree of relationship of each other, or being the spouse of any of the Bank's directors. Directors of the Bank shall comply with the requirements set forth in the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks.

#### Article 31

There shall be at least three independent director members in the board in accordance with the Articles of Incorporation of the Bank, and their seats shall be no less than one-third of the total seats of the board members. A shareholder holding one percent or more of equity shares, the board of directors or any other ways regulated by competent authorities, may present a slate of candidates for independent directors. A list of all qualified candidates as independent directors, may be submitted to the shareholders' meeting for elections.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and concurrent positions. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than four other TWSE/TPEX listed companies.

Independent directors of the Bank shall not act as independent directors concurrently for more than three other public companies.

It is inappropriate for independent directors of the Bank to serve more than three consecutive terms.

Independent directors and non-independent directors shall be elected at the same time, but the quota of elected shall be calculated separately, in accordance with the provisions of Article 198 of the Company Act.

Independent directors shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Bank.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

When an independent director is dismissed for any reason, resulting in the number of independent directors falling below the requirement under Paragraph 1 or the Articles of Incorporation, a by-election shall be held at the next shareholder meeting.

The professional qualifications, restrictions on shareholding and concurrent employment, determination of independence, method of nomination and other requirements for independent directors shall be governed by the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and regulations adopted by the Taiwan Stock Exchange.

#### Article 32

The Bank's chairperson and president positions shall have a clear division of responsibilities, and are suggested not to be filled by one person.

#### Article 33

The Bank shall stipulate the scope of duties of the independent directors and empower them with manpower and material support related to the exercise of their authorities. Independent directors can engage third party professionals for help to assess material or doubtful cases, or require internal auditors to proceed a targeted examination or follow-up. The Bank or other board members shall not obstruct 、deny or avoid the performance of duties by the independent directors.

The Bank may set forth different but reasonable remuneration from that of other directors for the independent directors.

#### Article 34

In order to achieve the goal of corporate governance of the Bank, the major duties of the board of directors are as follows:

1. Stipulation and establishment of an effective and appropriate internal control system;
2. Selection and supervision of managers;
3. Review of management policies and business plans and their execution;
4. Review of the financial goals and supervision of the result;
5. Supervision of the result of operations;
6. Establishment and assessment of performance and appraisal /remuneration standards for managers, and directors' remuneration structures and systems;
7. Supervision of establishment of risk management mechanisms;
8. Supervision of the compliance with relevant laws and regulations;
9. Planning for future development;
10. Maintaining the Bank's image and reputation.
11. Select accountant or other professionals.

#### Article 34-1

The Bank shall submit the following items to the board of directors for discussion:

1. Corporate business plan.
2. Annual and semi-annual financial statements.
3. Adoption or amendment of the internal control system pursuant to Article 14-1 of Securities and Exchange Act, and assessment for effectiveness of internal control system as well.
4. Adoption or amendment of procedures for financial operational actions of material significance, such as acquisition disposal of assets, derivatives trading, extension of loans to others, or endorsements or guarantees for others, pursuant to Article 36-1 of Securities and Exchange Act.
5. The offering, issuance, or private placement of any equity securities.



6. The appointment or dismissal of a financial officer, accounting officer, risk management officer, the Chief Compliance Officer, and the Chief Auditor.
7. The performance assessment and remuneration system of managerial personnel, and remuneration structure and system of directors.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive ratification.
9. Any matter required by any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board meeting, or any such significant matter as may be prescribed by the competent authority.

Apart from matters stated in preceding paragraph that are required to be submitted for discussion by the board of directors, when the board meeting is in recess and the board of directors delegates any exercise of its powers pursuant to laws or regulations or the Bank's articles of incorporation, matters such as the level of and substance of the delegation shall be concretely and specifically set out, and general authorization is prohibited.

At least 1 or more than 1 independent director shall attend the board of directors' meeting. All independent directors shall attend the board of directors' meeting when aforesaid items in paragraph 1 submitted into the meeting, and any absent independent director shall appoint another independent director to attend the meeting for him/her as well. When an independent director has objections or reservations, it shall be noted in the minutes of the board meeting. Any objections or reservation of absenting independent directors shall not be noted in the minutes of the board meeting, unless a prior written opinion provided and the absence was with good cause as well.

#### Article 35

In order to strengthen the decision-making process and the management mechanism, the Bank may take into account the size of the board of directors and the total number of its independent directors and set up functional committees with various functions and provides them with clear duties in the articles of incorporation. Special committees shall be responsible to the board of directors and submit the proposals to the board of directors for approval. However, the Audit Committee exercising their duties as supervisors in accordance with Securities and Exchange Act, Company Act and other related laws and regulations, shall not be subject to such restriction.

Functional committees shall adopt charters approved by resolutions of the board of directors. The charters shall at least be comprised of its quorum, qualification of the members, term, responsibilities, meeting rules, and necessary resources provided by the Bank. The necessity of revising the charter of exercising the power and duty shall be reviewed and assessed every year.

#### Article 36

The Audit Committee shall be composed of all members of independent directors, and have no fewer than three members, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

The Bank shall comply with regulations of Securities and Exchange Act, Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and related regulations formulated by TWSE or TPEX with regard to relevant items about exercising the power and duty of the Audit Committee and its members.

#### Article 36-1

The major duty of the Remuneration Committee is to establish the performance assessment and remuneration system of managerial personnel, and remuneration structure and system of directors. The committee shall have independent director(s) as their member(s) and is advised to have an independent director as the convener. The performance assessment and remuneration system of managerial personnel, and remuneration structure and system of directors shall be created based on the following principles:

1. The Bank shall establish the standards for, or the structure or system of, performance evaluations and emoluments based on the performance after taking into consideration future risks, and with reference to its overall long-term profits and shareholders' interest.
2. The emolument and incentive system is not designed to encourage directors and managers to attempt to perform an act that falls outside of its risk appetite suitable for the Bank. The Bank shall regularly review the emolument and incentive system and performance to ensure they are within its risk appetite.
3. When does the Bank pay emoluments shall be subject to its profits after future risks adjusted have been taken into consideration to prevent the Bank from suffering losses after paying emoluments and other adverse circumstances. A significant part of emoluments paid as incentives shall be in a deferred manner or in the form of equities.
4. When evaluating contribution of a director, manager to the Bank's profits on a personal level, the Bank shall perform an overall analysis of the banking industry to figure out if their profits were generated because they have used the advantage of lower cost of funding of the Bank, so that it will be able to have a meaningful evaluation of their individual contribution.
5. The Bank's agreement on severance pay with its director, manager shall be made based on the performance that has been achieved to prevent the occurrence of a circumstance where an individual receives a large amount of severance pay after a short-term employment, and other inappropriate circumstances.

6. The Bank shall fully disclose to its shareholders the principles, methods and goals based on which it has established the standards for, or structure and system of, performance evaluations and emoluments as described above.

#### Article 36-2

The Bank shall establish and announce whistleblowing methods for internal staff and external individuals, and create a whistleblower protection system. This system shall have related internal operation procedures and be included in the internal control system for control and management.

With regard to the above, at least the following shall be covered:

1. Create and announce the mailbox and hotline number for internal and external whistleblowers.
2. Appoint staff or department responsible for accepting whistleblowing cases.
3. Records of acceptance of whistleblowing cases, how the cases were processed, results, and production of related documents and archival of documents.
4. Confidentiality of whistleblower's identity and details of the whistleblowing case.
5. Measures for protection of rights and interests of whistleblower, who will not be subject to inappropriate treatment because of the whistleblowing.

Anonymous whistleblowing cases without identifying the real name and address of the whistleblower, or without providing specific information, may be rejected.

The regulations under subparagraph 5 of the second paragraph shall not apply to a whistleblowing case that, based on the findings of investigations, contains false claims and malicious accusations against the Bank or the staff.

#### Article 37

The Bank may engage professional and competent legal counsels to provide adequate legal consultation services to the Bank, or to assist the directors and the management to improve their knowledge of the law to ensure that corporate governance matters are proceeded under the relevant legal framework and the prescribed procedures.

In the event that the directors or the management are involved in litigation or a dispute with shareholders as a result of performing their lawful duties, the Bank shall retain a legal counsel to provide assistance as circumstances require, and the cost shall be borne by the Bank.

The Audit Committee or its independent director member can appoint lawyers, accountants or other professionals on behalf of the Bank for necessary auditing or providing advices, and the cost shall be borne by the Bank.

#### Article 38

To improve the quality of its financial reports, the Bank shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Bank shall select a professional, responsible and independent CPA to be its external auditor, who shall perform regular reviews of the financial conditions and internal control measures of the Bank. With regard to the irregularity or deficiency timely discovered and disclosed by the auditor during the review, and the concrete measures for improvement or prevention suggested by the auditor, the Bank shall faithfully implement improvement actions. The Bank should establish a channel or mechanism of communication between independent directors or Audit committee and CPAs, and set up internal operating procedures to manage them by internal control system.

The Bank shall evaluate the independence and suitability of the CPA with reference to the audit quality indicators (AQIs) regularly (at least once a year). In the event that the Bank engages the same CPA without replacement for seven years consecutively, or if the CPA is subject to disciplinary actions or other circumstances prejudicial to the independence of the CPA, the Bank shall assess the necessity of replacing the CPA and submit to the board its conclusion of such assessment.

## Article 39

The board of directors of the Bank shall meet at least once quarterly, or convene at any time in case of emergency. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance, and the meeting notice shall be sent with adequate meeting information.

If the directors find that the meeting materials are not sufficient, they can ask for complete materials from the unit that holds the meeting, or delay a meeting by resolution if they find the aforesaid situation.

The Bank shall adopt rules of procedure for meetings of its board of directors; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

## Article 39-1

The chairperson serves as the President of the shareholders' meeting, the board of directors and the executive board of directors internally, and represents the company externally. The chairperson shall faithfully perform his/her duties and

fulfill his duty of care as a good administrator, and exercise his/her powers with a high degree of self-discipline and prudence.

If the chairperson of the board of directors performs his/her duties through telecommuting methods such as working remotely domestically or internationally, working from home,, or video conferencing for a long period of time, the chairperson shall comply with the provisions of the preceding paragraph and ensure the effective execution of his/her duties.

#### Article 39-2

When the chairperson takes leave or is unable to exercise his/her powers for any reason, the chairperson shall designate a managing director to act as his/her proxy; if the chairperson does not designate a proxy, the managing directors or directors shall nominate one among them to act as his/her proxy.

In accordance with the provisions of the preceding paragraph, the appointment or nomination of a proxy of the chairperson's proxy shall comply with the principle of separation of property and funds stipulated in the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks".

The proxy of the chairperson of the board of directors referred to in Paragraph 1 shall not exceed the authority of the chairperson of the board of directors during the period of proxy, and any restrictions shall be clearly listed in advance.

Directors shall attend the board meeting in person. If a director is unable to attend the board meeting for any reason, he/she may entrust another director to act on his/her behalf in accordance with the Articles of Association of the Bank. However, a power of attorney shall be issued each time and the scope of authorization for the reason for the convening shall be listed. Directors who attend by proxy shall be limited to one person per authorization.

#### Article 40

A director shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, and the relationship is likely to prejudice the interests of the Bank, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter. The directors shall practice self-discipline as to their internal relationship and must not support each other in an inappropriate manner.

The matters that a director shall voluntarily recuse himself/herself from voting as referred to in the preceding paragraph shall be clearly set forth in the rules for the proceedings of board meetings.

#### Article 41

Each independent director shall attend any meeting concerning a matter that requires a resolution by the board of directors under Article 14-3 of the Securities and Exchange Act, and shall not appoint a non-independent director to attend as his or her proxy. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes. Any of the following matters in relation to a resolution approved at a board meeting shall be stated in the meeting minutes and shall be publicly announced and filed before the scheduled time in accordance with relevant regulations formulated by TWSE:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in a written statement.
2. Any matter which had not been approved by the Audit Committee but was undertaken upon the consent of two-thirds or more of all directors.

When holding a board meeting, the Bank may, in view of the meeting agenda, notify managers from relevant departments who are not directors to sit in the meeting, make reports on the Bank's current business conditions, and respond to inquiries raised by directors. When necessary, the Bank may also invite certificated public accounts, attorneys, or other professionals to sit in the meeting and assist the directors in understanding the conditions of the Bank in order to adopt an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

#### Article 42

Personnel of the Bank attending board meetings shall correctly record the meeting minutes in details including the summary of each proposal and the voting methods and results.

The minutes of a board meeting shall be signed or stamped by the meeting chairperson and the minutes taker. A copy of the minutes shall be distributed to each director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the legal existence of the Bank.

The production, preservation, and distribution of the meeting minutes may be done in soft copy.

The Bank shall record the entire proceedings of a board meeting on audio or video tape, and preserve the recordings for at least five years, in a soft copy or hard copy. If any litigation arises in connection with a resolution of a board of directors meeting before the end of the preservation period referred to in the preceding paragraph, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded, and it's not applicable to the preceding paragraph.

When a board meeting is held via teleconferencing, the audio and visual documentation of the meeting become a part of the meeting minutes and shall be well preserved during the existence of the Bank.

If any resolution adopted by the board meeting is in violation of any law, the article of incorporation or resolution by the shareholders' meeting and the Bank bears on the consequence, directors who have expressed dissent and recorded on a minute or provided a paper statement, will be immune from the liability for the damage.

#### Article 43

The Bank shall have one or more independent directors among its managing directors and the ratio should not be less than one-fifth.

The Bank shall set forth in the Articles of Incorporation the scope of delegation to managing directors when the board meeting is in recess. When major interest of the Bank is involved, the matter shall still be approved by a resolution of the board of directors.

#### Article 44

The Bank shall ask an appropriate unit or personnel to handle matters and implement actions pursuant to the board of directors' resolutions in a way consistent with the objectives and their timeline. The unit or personnel shall also follow up and faithfully review these matters.

The board of directors shall fully grasp the progress of implementation, and the progress of implementation shall be reported by execution unit or personnel in the board meeting, in order to help the implementation of decisions made by the board.

#### Article 45

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Bank, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

The Bank should formulate rules and procedures for board of directors' performance assessments. Each year, in respect of the board of directors、functional committee and individual director, it shall conduct regularly scheduled performance assessments through self-assessments, and may also do so through outside professional institutions or in any other appropriate manner every three years. A performance assessment of the board of directors shall include the following 6 aspects:

1. The degree of participation in the Bank's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.

4. The election of the directors and their continuing professional education.
5. Internal control.
6. Act on sustainable business practices (ESG).

The self-performance assessments of board members shall include the following 7 aspects:

1. Their grasp of the Bank's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the Bank's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal control.
7. Focus on sustainable business practice (ESG).

The performance assessment of the functional committee should include the following aspects:

1. Their degree of participation in the Bank's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

The Bank shall submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

When a director of the Bank resigns or is reassigned in accordance with Article 27, Paragraph 3 of the Company Law, the resigned director or corporate shareholder shall immediately notify the Bank and the corporate governance officer. Upon receiving such notice, the Bank and the corporate governance officer shall handle it in accordance with relevant laws and regulations.

#### Article 45-1

The board of directors is advised to evaluate and monitor the following aspects of the Bank's direction of operation and performance in connection with intellectual properties, to ensure the Bank develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.



4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the Bank's expectations.

#### Article 46

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of the Audit Committee to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Bank would suffer material injury, members of the board of directors shall immediately report to the Audit Committee, an independent director member of the Audit Committee, in accordance with the foregoing paragraph.

#### Article 47

The aggregate shareholding percentage of all directors of the Bank shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

#### Article 48

The Bank shall take out directors' liability insurance and sign related contract with insurance company with respect to liabilities resulting from exercising their duties. The Bank shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the board meeting before signing the contract.

#### Article 49

In accordance with related regulations of TWSE, upon directors of the Bank becoming directors and throughout their terms, directors of the Bank are advised to participate in training courses on finance, risk management, business, commerce, law, accounting, anti-money laundering & countering financing of terrorism or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies covering subjects relating to corporate governance. The Bank shall request employees of all levels to strengthen their professional skill and legal related knowledge.

## Chapter V Fulfill the functions of Audit Committee

### Article 50

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act that is not within the Bank's business scope with the Bank, an independent director member of the Audit Committee shall act as the representative of the Bank.

### Article 51

The Audit Committee may investigate the operational and financial conditions of the Bank at any time, and the relevant departments in the Bank shall provide the books or documents that will be needed for the Audit Committee's review.

When reviewing the finance or operations of the Bank, the Audit Committee may appoint attorneys or accountants on behalf of the Bank to perform the review; however, the Bank shall inform the relevant persons of their confidentiality obligations.

The managerial officers shall submit reports in accordance with the request of the Audit Committee and shall not for any reason obstruct, circumvent, or refuse the inspection of the Audit Committee.

The Bank shall provide necessary assistance when the Audit Committee exercise its duties, at the reasonable expense of the Bank.

### Article 52

For the Audit Committee to timely discover any possible irregular conduct in the Bank, the Bank shall establish a channel for the Audit Committee to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, the Audit Committee shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or president, an officer of the finance/accounting, CPA, and internal audit department, resigns or is removed from his/her position, the Audit Committee shall investigate the reasons.

## Chapter VI Respect the rights and interests of staff and stakeholders

### Article 53

The Bank shall maintain channels of communication with its customers, creditors, employees, community, or other stakeholders of the Bank, respect and safeguard their legal rights and interests, and designate a stakeholders section on our official website.

When any of a stakeholder's legal rights or interests is harmed, the Bank shall handle the matter in a proper manner and in good faith.

The Bank shall provide sufficient information to its customers to facilitate their understanding of banking business in the compliance with relevant laws and regulations. When any of the customers' legal rights is harmed upon, The Bank shall respond actively and handle properly to resolve the problems with a responsible attitude.

#### Article 54

The Bank shall formulate consumer protection policy, including mechanisms to handle consumer complaints and major emergency consumer dispute.

#### Article 55

The Bank shall establish channels of communication with employees and encourage employees to communicate directly with the management and directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Bank concerning employee welfare.

In developing its normal business and maximizing the shareholders' interest, the Bank shall pay attention to consumers' interests, environmental protection of the community, and public interest campaign, and shall give serious regard to the Bank's corporate social responsibility.

### Chapter VII Enhance information transparency

#### Article 56

The Bank shall perform its obligations faithfully in accordance with the relevant laws and the Articles of Incorporation.

The Bank is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

#### Article 57

The Bank shall establish an Internet-based reporting system for public information, appoint specified personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

#### Article 58

In order to enhance the accuracy and timeliness of the material information disclosed, the Bank shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the Bank's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Bank in making statements independently.

The Bank shall appoint one or more acting spokespersons who shall represent the Bank, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Bank shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The Bank shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

#### Article 59

In order to keep shareholders and stakeholders fully informed, the Bank shall utilize the convenience of the Internet and set up a website containing the information regarding the Bank's finances, operations, and corporate governance. It is also advisable for the Bank to furnish the financial, corporate governance, and other relevant information in English based on the need of foreign investors.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

#### Article 60

The Bank shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The conference shall be disclosed for inquiry through the official website or other channels.

#### Article 61

The Bank shall build a specific page on official portal website to disclose and update from time to time the following information regarding corporate governance. Aforesaid information in English version shall be set up and updated on a timely basis as well if necessary:

1. Board of directors: Resume and duties of Board of directors, and diversity policy of the Board of directors and its implementation.
2. Functional committee: Resume and duties of members of each functional committee.
3. Corporate Governance related regulations: Such as Articles of Incorporation, Rules of Procedures for Board of Directors Meetings, and Functional Committee Charters.
4. Important information related to Corporate Governance: For example, the designation of Corporate Governance Officer.

### Chapter VIII Supplementary Provisions

Article 62

The Bank shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the Bank's own corporate governance mechanisms, so as to enhance its effectiveness.

Article 63

All other matters not specified herein shall be regulated under the Company Act, Securities and Exchange Act, and other relevant laws or regulations and general practices.

Article 64

These Principles shall be implemented and disclosed on MOPs and official website after it has been resolved and approved by the meeting of board of directors. The same applies to any amendments as well.