

# **Chang Hwa Commercial Bank Ltd. Rules of Procedures for Board of Directors Meetings**

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Reported to shareholders' meeting on June 11, 2004

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Reported to shareholders' meeting on June 9, 2006

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Amendment approved by board of directors' meeting on December 24, 2010

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Amendment approved by board of directors' meeting on June 21, 2019

Amendment approved by board of directors' meeting on May 11, 2023

## **Article 1**

To establish a strong governance system, sound supervisory capabilities, and strengthen management capabilities, to help the board to exercise duties and improve functions, the Bank adopts these Rules according to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance thereof.

## **Article 2**

Board of directors meeting and dealing with directors requirements related affairs of the Bank, unless otherwise specified in the articles of incorporate or other laws, shall be handled according to these Rules.

## **Article 3**

The board of directors' meetings are divided into:

- (1) Regular meeting: shall be convened at least once quarterly. During the convention of the meeting, a written notice indicating the reasons shall be provided to inform all directors seven days before the meeting is convened.

(2) Extraordinary meeting: In case of emergencies or upon the requests of a majority of directors, such meeting shall be convened at any time and all directors shall be informed in writing.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission upon the consents of the directors.

All matters set forth under Paragraph 1 of Article 3-2 of these Rules shall be specified in the notice of the reasons for convening a board meeting.

None of these matters may be raised by an extraordinary motion.

Board of directors' meetings shall be called and chaired by the Chairman. The majority or more of the directors may, by filing a written proposal setting forth therein the subjects for discussions and the reasons, request the chairman of the board of directors to convene a meeting of the board of directors. If the chairman of the board of directors fails to convene a meeting of board of directors within fifteen days after the filing of the request under the preceding paragraph, the proposing directors may convene a meeting of board of directors on their own.

The first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more conveners so entitled to call the meeting, they shall choose one person by and from among themselves to do so. When conveners don't comply with the rules, the majority or more of the directors elected may convene the meeting on their own.

The two preceding paragraphs that are convened by the majority or more of the directors shall choose one person to be chairman by and from among directors.

In case where the Chairman is on leave or cannot exercise his power and authority for any cause, the Chairman shall appoint a managing director to act as a proxy thereof; where the Chairman fails to appoint a proxy, the managing directors shall elect one person from among themselves to act as the proxy.

### **Article 3-1**

Agenda items for the board meetings of shall include at least the following:

1. Matters to be reported:

- (1) Minutes of the last meeting and action taken.
- (2) Important financial and business matters.
- (3) Internal audit activities.
- (4) Other important matters to be reported.

2. Matters for discussion:

- (1) Items for continued discussion from the last meeting.
  - (2) Items for discussion at this meeting.
3. Extraordinary motions.

**Article 3-2**

The following matters shall be submitted to the board of directors for discussion:

1. The Bank's business plan.
2. Annual and semi-annual financial reports.
3. Adoption or amendment of the internal control system according to Article 14-1 of the Securities and Exchange Act., and evaluation of effectiveness of the internal control system.
4. Adoption or amendment, according to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, risk management, corporate governance, legal compliance of the head office, or internal audit officer.
7. According to the regulations of our organization regarding external donations, it is required to report donations made to related parties or to unrelated parties.

8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other laws or articles of incorporation, shall be approved by resolution at a shareholders meeting or board meeting, or any material matter as specified by the competent authority.

The Bank shall have at least one independent director attending the board of directors' meeting in person. For the matters required to be proposed in the board of directors' meeting for resolution as specified in the preceding paragraph, all of the independent directors shall attend the board of directors' meeting. In case where an independent director cannot attend the meeting in person, he/she shall entrust other independent director to act as a proxy to attend the meeting on his/her behalf. If an independent director expresses any dissenting or qualified opinions about a matter, it shall be recorded in the directors' meeting minutes. An independent director intending to express dissenting or qualified opinion but unable to attend the meeting in person shall, unless there is some justified reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

### **Article 3-3**

Apart from matters referred to in Paragraph 1 of the preceding article, which are required to be submitted for discussion by the board of directors, when the board of directors delegates any exercise of its powers pursuant to laws, articles of incorporation or resolution, matters such as the level and content of the delegation for execution shall be specified explicitly.

### **Article 4**

During the adjournment of board of directors' meetings, the managing directors shall exercise the authorities of the board of directors through meeting convention method according to the laws, articles of incorporation, shareholders' meeting resolution and board of directors' meeting resolution in order to convene a

meeting once periodically every seven days as principle, and shall be called by the Chairman with the Chairman acting as the chair of the meeting. In case where the Chairman cannot attend the meeting, the Chairman shall appoint a managing director to act as a proxy thereof; where the Chairman fails to appoint a proxy, the managing directors shall elect one person from among themselves to act as the proxy.

To convene a managing directors meeting, written notices shall be provided to inform all managing directors two days before the meeting is convened. However, in an emergency circumstances, a meeting may be convened on at any time. The notice for convention of managing directors meeting may be effected by means of electronic transmission upon the consents of the managing directors.

#### **Article 4-1**

The scope of authorities of the board of directors exercised by the managing directors meeting under Article 4 is as follows:

1. Review of articles of incorporation and important business affairs, excluding the management rules and business scope related to the overall operation strategies, material policies or material risks.
2. Review of the following matters, excluding material matters requiring resolution of shareholders meeting or requiring submission to the board of directors meeting for review or specified by the competent authority according to the laws and articles of incorporation:
  - (1) Important contracts.
  - (2) Investment in other companies.
  - (3) Matters involving major interest of the Bank.
  - (4) Matters authorized by the board of directors.
3. Matters assigned by the Chairman for handling.

Cases approved by the managing directors meeting through the execution of the board of directors' authority for resolution according to the preceding paragraph shall be reported to the board of directors' meeting.

## **Article 5**

The designated unit responsible for the meeting affairs of the board of directors' meetings is the Conference Logistics Section of the Secretariat Division.

Prior to the convention of a board of directors' meeting, the meeting date shall be planned, meeting content and agenda shall be established, and sufficient meeting materials shall be provided in advance, which shall also be mailed in writing or via electronic method along with the notice of meeting convention.

A director of the opinion that the meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. Unless any other specific reason, conference logistics affairs section should contact relevant departments to provide materials within three days. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

## **Article 5-1**

Directors should be provided adequate and prompt information, the form and quality should be enough for directors to hold related information to make decisions and fulfill their duties.

All directors should be available for assistance from corporate governance manager to make sure the process and applicable laws and rules can be all complied, and make sure informational interactions between members in board of directors, directors and managerial departments can be good.

Corporate governance manager of the Bank should be responsible for handling requests from directors and helping directors to exercise their duties promptly and

effectively as principle, and it should be exercised within seven days unless in the case that any other specific reasons.

### **Article 6**

Regarding the time and place for the convention of a board of directors meeting, the place and time shall be convenient for all directors to attend and suitable for holding board meetings.

### **Article 7**

During the convention of a board of directors' meeting, an attendance book shall be provided for the attending personnel to sign in and to provide such book for review and inspection.

Directors shall attend board of directors' meetings in person. If a board of director meeting is held with the video conference method, directors attending the meeting through video conference shall be deemed to attend the meeting in person.

In case where a director cannot attend the meeting in person, he or she may appoint another director to attend a board meeting as a proxy thereof, and shall in each case give to that director a written power of attorney stating the scope of authorization with respect to the reasons for meeting.

A proxy described in the preceding paragraph shall only accept the power of attorney from one person only.

The attendance rate of all directors at board meetings should not be less than 85% annually.

### **Article 8**

During the convention of a board of directors' meeting, the President, Chief Audit Officer and Vice President shall be invited to attend the meeting; however, they shall have no voting rights.

During the convention of a managing directors meeting, the President, Chief Audit Officer and Vice President shall be invited to attend the meeting; however, they shall have no voting rights.

### **Article 9**

During the convention of a board of directors' meeting, the management department shall prepare relevant documents to the attending directors for review and reference at any time.

During the proceedings of a board of directors' meeting, personnel of relevant departments or subsidiaries may be informed to attend the meeting.

When it is considered necessary, certified public accountant (CPA), legal counsel or other professionals may be invited to attend the meetings and to provide explanations. However, they shall leave the meeting during discussion or voting process.

### **Article 10**

When the scheduled commencement meeting time is reached and where there are a majority of directors attending the meeting, the chair of the board of directors' meeting shall announce the commencement of the meeting. However, when the number of attending directors is less than half of the total number of directors, the chair may announce the delay of meeting commencement and the number of times of delay shall be limited to two times. If the quorum is still not met after two such delays, the chair may re-call the meeting following the procedures specified in Paragraph 1 of Article 3 of these Rules.

The terms "all directors" described in this paragraph shall be counted as the actual number of persons currently holding those positions.

### **Article 11**



Proposals of a board of directors' meeting shall be conducted in accordance with meeting procedure scheduled and listed in the meeting notice. However, the proposals may be changed based on the approval of a majority of directors attending the meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors present at the meeting.

During the meeting, the chair may make a decision on the time and announce the time for recess or negotiation.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Paragraph 1 of the preceding Article shall apply *mutatis mutandis*.

## **Article 12**

After an attending director has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a director makes repetitive speeches on one identical proposal, or where the speech has exceeded the scope of the proposal etc. such that the speeches by other directors are affected or the meeting proceeding is hindered, the chair may stop the speech of such director.

## **Article 13**

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved.

"All directors present at the meeting" in the preceding two paragraphs does not include directors prohibited from exercising voting rights according to Paragraph 1 of Article 15 of these Rules.

#### **Article 14**

Except where otherwise provided by the Securities and Exchange Act and the articles of incorporation, the resolution of a proposal at a board of directors' meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

Except where otherwise provided by the Securities and Exchange Act and the articles of incorporation, the resolution of a proposal at a board of directors' meeting shall require the approval of a majority of the managing directors in attendance at a board of directors' meeting attended by a majority of all managing directors.

When there is an amendment or alternative to a proposal, the chair 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. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. Voting results shall be made known on-site immediately and recorded in writing.

#### **Article 15**

Unless otherwise specified in the laws, if a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Bank, that director may not participate in discussion or voting on that agenda item

and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. Self-discipline shall be implemented between directors, and improper supports to each other shall not be provided.

The spouse, relative within the second degree of kinship and subordinate companies of directors should be considered as interested party for particulars under the preceding paragraph.

Where a director is prohibited by the two preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Paragraph 2 of Article 180 of the Company Act apply mutatis mutandis in accordance with Paragraph 4 of Article 206 of the same Act.

#### **Article 15-1 (Deleted)**

#### **Article 16**

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (TWSE) regulations, the business related unit shall upload the content of such resolution to the Market Observation Post System (MOPS) within the prescribed time period.

#### **Article 17**

Resolutions of a board meeting shall be recorded in the meeting minutes, and the meeting minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.

5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in Paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and also including any opinion issued in writing by an independent director pursuant to Paragraph 2 of Article 3-2.
8. Extraordinary motions: The name of the mover, the method of resolution and the result for each proposal, made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in Paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
9. Other matters required to be recorded.

For a resolution passed at a board of directors' meeting, if there is any matter about which an independent director expresses dissenting or qualified opinions and there is a record or written statement, or it is not permitted by the audit committee but agreed by two-thirds of the directors, it shall be stated in the meeting minutes, and shall also be published on the information reporting website designated by the competent authority within two days from the ending date of the meeting.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within twenty days after the meeting.

The attendance book constitutes part of the meeting minutes for each board of directors meeting, shall be incorporated into the important files of the Bank along with the meeting minutes, and shall be retained for the duration of the existence of the Bank.

For the power of attorneys of directors entrusting other directors to act as proxies, the preservation period shall be at least one year. The meeting minutes described in Paragraph 1 may be produced and distributed in electronic form.

#### Article 18

The Bank shall record on audio or video tape the entire proceedings of a board of directors' meeting, and preserve the recordings for a preservation period of at least five years in electronic form.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors' meeting is held via video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Bank.

The video and recording management rules for board of directors meeting shall be further established by the board of directors.

#### Article 19

Where a resolution of the board of directors violates laws or regulations, the articles of incorporation, or shareholders' meeting resolutions, with resulting injury

to the Bank, dissenting directors whose dissent is documented by the minutes or by written declarations will not be liable for damages.

#### Article 20

Article 2, Article 3-1, Article 5 to Article 7, Article 9 to Article 13, Paragraph 3 and Paragraph 4 of Article 14, Article 15 to Article 19 of these Rules shall apply to the proceedings of the Executive Board. The appointment or removal of the Chairman of the Board shall be governed by the Paragraph 3 of Article 3 of these Rules.

#### Article 21

These Rules, shall be approved through the resolution of the shareholders' meetings before implementation. The same requirements shall be applied to amendments thereof.