

Yuanta Financial Holding Company
Scope of Duties for Board Members

Approved by the Board of Directors on March 27, 2007 (12th meeting of the 3rd board)

Amendments approved on July 24, 2007 (2nd meeting of the 4th board)

Amendments approved on September 26, 2007 (5th meeting of the 4th board)

Amendments approved on May 25, 2010 (44th meeting of the 4th board)

Article 1

In order that board members faithfully perform the duties of carrying out business operations and management oversight of the company, these guidelines are drafted in compliance with related regulations such as *Company Law* and the company's *Corporate Governance Guidelines*.

Article 2

In addition to regulations and the company's Articles of Incorporation, board members are also to follow the guidelines set forth in this document. Independent directors are also to comply with the guidelines set forth in this document as well as those in the company's *Scope of Duties for Independent Directors*.

Article 3

The company's board members are accountable to shareholders of the company, related rules, the company's Articles of Incorporation and resolutions passed at shareholder meetings.

Article 4

The company's board members should possess the necessary knowledge, skills and experience to be deemed qualified for the position. The board of directors in its entirety should possess the following qualifications:

1. Ability to evaluate business operations
2. Accounting and financial analysis capabilities
3. Operational management capabilities
4. Crisis management abilities
5. Finance-related expertise
6. Understanding of international markets
7. Leadership skills
8. Strategic decision making abilities

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9. Risk management knowledge and abilities

Article 5

The board's main duties and responsibilities are as follows:

1. Shape the company's values
2. Provide vision for the company and strategic planning for further development
3. Review management policy for the company, operational plan and evaluate financial goals.
4. Oversee management of the company's large operational objectives and evaluate their results.
5. Protect shareholders' rights
6. Build and maintain the company's image and social responsibility.
7. Review and oversee the company's risk management system and manage risks that the company faces.
8. Review and oversee the company's internal control system.
9. Oversee the company's compliance with all related laws and regulations.
10. Approve proposals from the audit committee and other functional committees.
11. Approval and dismissal of candidates for management positions, financial, accounting, risk management, legal counsel and internal auditing management positions.
12. Retain accounts and other professionals.
13. Determining the standards used for evaluating managers' performance and compensation, and directors' compensation structure and system.
14. Other items relating to legal regulations or items approved at a meeting of shareholders.

Article 6

Decisions by the board of directors are to comply with laws and the company's guidelines for board meetings, including regulations about avoiding conflict of interests.

Article 7

The company's board members have continuing education requirements as stated by the governing authorities and this company's continuing education guidelines.

Article 8

These guidelines are effective upon approval by the board of directors.

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