

Yuanta Financial Holding Company
Audit Committee Charter

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

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

Amendments approved on December 28, 2010 (7th meeting of the 5th board)

Article 1

These regulations are adopted pursuant to the *Regulations Governing the Exercise of Powers by Audit Committees of Public Companies*.

Article 2

These regulations state the number and term of office of audit committee members, powers of the audit committee, rules of procedure for meetings of the audit committee, and resources to be provided by the company when the audit committee exercises its powers.

Article 3

The audit committee's main oversight functions are as follows:

1. Ensure financial statements are presented fairly in conformity with GAAP
2. Appoint and dismiss, ensure independent nature and performance of independent auditors
3. Effectively implement the company's internal control
4. Ensure compliance with all relevant rules and regulations
5. Control company's existing and potential risks.

Article 4

The audit committee is to be comprised of the entire number of independent directors. It is to have no fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

The term of office for a committee member is the same as that of independent director. In the case that an independent director leaves the position, another person is to be selected at the next shareholders' meeting. When an independent director leaves or there is a vacancy, an extraordinary meeting of shareholders is to be called to select a new person within 60 days from when the vacancy commenced.

Article 5

Powers conferred by the Securities and Exchange Act (the “Act”), the Company Law, the Financial Holding Company Law, and any other law to be exercised by supervisors, except those powers set out in Article 14-4, paragraph 4 of the Act, shall be exercised by the audit committee.

The provisions of Article 14-4, paragraph 4 of the Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the company, shall apply mutatis mutandis to the independent director members on the audit committee.

Article 6

The powers conferred on the audit committee are as follows:

1. Provisions and revisions to the internal control system in accordance with Article 14-1 of the Act.
2. Assessment of the internal control system’s effectiveness.
3. Provisions and revisions, in accordance with Article 36-1 of the Act, of regulations relating to procedures for handling significant financial transactions, including acquisition and disposal of assets, engaging in derivatives trading, loans with third parties, and endorsements or guarantees provided to third parties.
4. Matters of directors who are affiliated parties.
5. Significant assets or derivative trading.
6. Significant financial loans, endorsements or guarantees.
7. Fundraising, publicly-issued or privately raised securities possessing shareholder rights.
8. Appointment, dismissal and compensation of independent auditors.
9. Appointment and removal of financial, accounting and internal auditing personnel.
10. Year-end and bi-annual financial reports.
11. Other significant regulatory items from the company or regulatory authorities.

Each item above must be agreed upon by more than one-half of this committee’s members before becoming a resolution by the board of directors.

If the items above, with the exception of item 10, are not consented to by one-half or more of the entire membership of the audit committee, it may be adopted with the consent of two-thirds or more of the entire board of directors, and is not subject to restrictions set forth in the preceding section, and shall be included in the board

meeting agenda as a resolution of the audit committee.

“Entire membership” of the audit committee includes those who have been appointed. It is the convener’s responsibility to be the representative for the audit committee.

Article 7

The audit committee is to meet once a month, and at any other time deemed necessary.

The reasons for calling a meeting of the audit committee shall be notified to each independent director member at least seven days in advance. In emergency circumstances, however, this requirement does not apply.

One member shall be elected as the convener and meeting chair by and from among the entire membership of the audit committee. When the convener goes on leave or otherwise for any reason is unable to convene a meeting, it shall be convened by another independent director member designated by the convener, or if no such designation is made, by another member elected by and from among the independent director members of the committee.

The audit committee may by resolution request relevant department officers, internal auditors, certified public accountants, legal counsels, or other personnel to provide pertinent and necessary information.

Article 8

When an audit committee meeting is held, the company shall have an attendance book to be signed by independent director members attending the meeting and thereafter be kept for future reference.

All independent director members on the audit committee shall attend the committee meetings in person; a member who cannot attend in person may appoint another independent director member to attend as their proxy. Attendance via tele- or video-conference is deemed attendance in person, however, their signature should be faxed in to be recorded in the attendance book.

A member of the audit committee appointing another independent director member to attend a committee meeting shall in each instance give to that director a written proxy

stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the audit committee shall be adopted with the consent of one-half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold an audit committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire board of directors, with the exception of item 10 in the first part of Article 6 of this document. For that item, approval or disapproval must still be obtained from each independent director member.

A proxy under item 2 may accept a proxy from one person only.

Article 9

Discussions at an audit committee meeting shall be included in the meeting minutes, which shall record the following in detail:

1. Session, time, and place of meeting.
2. Name of meeting chair.
3. Attendance of independent director members at the meeting, specifying names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as a nonvoting participant.
5. Name of minutes taker.
6. Matters reported.
7. Agenda items: Specify the resolution method and result of each proposal, and summarize the comments made by, and specify any objections or reservations expressed by the independent director members on the audit committee and the experts and any other persons present at the meeting.
8. Extraordinary motions: Specify the name of the mover, the resolution method and result of each proposal, and summarize the comments made by, and specify any objections or reservations expressed by, the independent director members on the audit committee and the experts and any other persons present at the meeting.
9. Other matters required to be recorded.

The attendance book forms a part of the minutes of each audit committee meeting and shall be preserved permanently.

The minutes of an audit committee meeting shall bear the signature or seal of both the meeting chair and the clerk, and a copy shall be distributed to each independent director member on the committee within 20 days after the meeting and be carefully preserved as important company records during the existence of the company.

The production and distribution of meeting minutes referred to in paragraph 1 may be made in electronic form.

Article 10

A committee meeting's agenda is to be arranged by the committee chair, who can call on related parties. Other committee members are to also provide proposals for the committee to discuss.

Article 11

An independent director member of the audit committee shall opt to not participate in agenda items that involve personal interest where such participation is likely to prejudice the interest of the company.

Where a matter is unable to be resolved at a committee meeting for the reason stated in the preceding paragraph, the fact shall be reported to the board of directors and the matter shall be resolved by the board instead.

Article 12

The audit committee and independent directors may, on behalf of the company, retain an attorney, certified public accountant, or other professional in order to conduct a necessary audit or provide advice. By doing so, they exercise their powers of authority regarding relevant matters, and the company is responsible for any related expenses.

Article 13

The Committee may at any time investigate the business and financial position, and any relevant departments shall cooperate in providing any materials and documents necessary for the audit.

When the committee audits the company finances or business, they may represent the company in appointing legal or accounting professionals for the auditing, and should inform the relevant personnel about their obligation to confidentiality.

Board of directors or managers shall submit a report under this request of the committee, and must not obstruct, evade or refuse the inspections of the committee for

any reason.

When the committee is implementing their duties, the company shall provide the necessary assistance, and any reasonable fees are the company's responsibility.

Article 14

In order to facilitate the committee in detecting possible abuses in a timely fashion, the company has set up a channel for employees, shareholders and affiliated parties to communicate with the committee.

When the committee discovers malpractice, appropriate measures should be promptly taken to prevent the malpractice from proliferating, and, if necessary, the competent body or institution should be informed.

If there is any resignation or replacement of independent directors, president, financial or accounting management, certified public accountant and auditing department management, the committee should fully understand the reasons for such events.

Article 15

Audit committee members are to exercise the due care of a good manager, and faithfully perform the duties and obligations set forth in this charter. Committee members are also responsible to the board of directors and are to submit proposals to the board of directors for resolution.

Article 16

Audit committee members are to periodically review these regulations and provide revisions to the board of directors.

The committee chair or other committee members are authorized to take actions to carry out related jobs that result from approved resolutions, and should be reported in writing or verbally during its implementation period, when necessary raised at the following meeting for ratification.

Article 17

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