

Yuanta Financial Holding Company

Integrity Management Guidelines

Approved by the Board of Directors on October 25, 2011 (20th meeting of the 5th board)

Amendments approved on March 30, 2015 (28th meeting of the 6th board)

Article 1 (Purpose and Scope of Application)

In order to establish a corporate culture of operational integrity and facilitate sound development, Yuanta Financial Holding Company (hereafter: "the Company") has set in place these Integrity Management Guidelines.

These Guidelines' scope of application includes the Company, its subsidiaries, and any corporate entity in which the Company's direct or indirect investments combine to exceed 50%, or any other organization or entity over which the Company exercises substantive control.

Article 2 (Prohibition of Dishonest Behavior)

The Company's directors, managers, employees, appointees, and substantive controllers, in the process of carrying out their duties, shall not directly or indirectly provide, promise, request, or accept any form of improper benefits, and shall not engage in any dishonest, illegal, or unsanctioned behavior for the purpose of personal benefit or gain (hereafter called "dishonest behavior").

The above clause applies for interactions with public officials, political candidates, political parties and party officials, as well the directors, supervisors, managers, employees, substantive controllers or other stakeholders of any public or private corporation or organization.

Article 3 (Types of Interest)

The "interests" referred to in these Guidelines refer to any object of value, including any form or type of money, gift, commission, position, service, benefit, or rebate. However, practices belonging to normal social custom, which are occasional and do not exercise influence on specific rights and obligations, do not fall under this prohibition.

Article 4 (Legal Compliance)

To satisfy the basic principles of integrity management, the Company shall act in compliance with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Law Against Accepting Bribes Act, the Government Procurement Law, the Act on Recusal of Public Servants Due to

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

Conflicts of Interest, the Listed/OTC Exchange Regulations, as well as other laws governing commercial activity.

Article 5 (Policy)

Based on the operational principles of honesty, transparency, and responsibility, the Company shall set integrity as its foundational policy, and shall establish strong corporate governance and risk management systems, in order to create an operational environment of sustainable development.

Article 6 (Prevention Measures)

In line with its foundational policy of integrity, the Company shall set in place clear and specific integrity management measures and programs to prevent dishonest behavior (hereafter called "prevention measures"), including operating procedures, behavioral guidelines, and educational training.

The prevention measures set in place by the Company shall be in adherence with the relevant laws and regulations of the Company's and the Group's operating locations. In the process of setting prevention measures, the Company shall consult with employees, trade unions, major commercial and operational counterparts, and other Company stakeholders.

Article 7 (Scope of Prevention Measures)

In the process of setting its prevention measures, the Company shall analyze areas of its operations with higher risks of dishonest behavior, and shall act to strengthen its prevention procedures in these areas.

The Company's prevention measures shall at minimum cover procedures to prevent behaviors including:

- (1) Giving or receiving bribes
- (2) Making illegal political contributions
- (3) Improper charity contributions or sponsorships
- (4) Providing or accepting unreasonable gifts, loans, or other improper benefits
- (5) Infringement of business secrets, trademark rights, patent rights, copyrights, or other forms of intellectual property
- (6) Engaging in anti-competitive practices
- (7) Damaging the rights and interests of stakeholders

Article 8 (Commitment and Implementation)

The Company and all Group entities shall make the integrity policy explicitly clear both in internal guidelines and external documents. The directors and management

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

of the Company shall actively implement the integrity policy's commitments, and faithfully execute them in management and commercial activities.

Article 9 (Integrity Management in Commercial Activities)

In line with the principles of integrity management, the Company shall engage in commercial activities in a fair and transparent manner.

Prior to engaging in commercial relations with commercial agents, suppliers, clients, or other counterparties, the Company shall consider whether such relations are illegal or constitute dishonest behavior, in order to avoid engaging business that is unethical or dishonest.

When signing a contract with commercial agents, suppliers, clients, or other counterparties, the contract shall include clauses specifying that the counterparty shall adhere to the Company's integrity management policy, and that if they are found in violation of said policy, the contract may be terminated or dissolved.

Article 10 (Prohibition of Giving or Receiving Bribes)

The Company and its directors, managers, employees, appointees, and substantive controllers, shall not, in the process of carrying out their duties, directly or indirectly provide, promise, request, or accept any form of improper benefits from clients, commercial agents, contractors, suppliers, public officials, or any other types of stakeholders.

Article 11 (Prohibition of Making Illegal Political Contributions)

The Company and its directors, managers, employees, appointees and substantive controllers, when making direct or indirect Group or individual contributions to a political party or political activities, shall act in adherence with the Political Donations Act and relevant internal Company regulations, and shall not seek commercial benefit or competitive advantages therefrom.

Article 12 (Prohibition of Improper Charity Contributions or Sponsorships)

The Company and its directors, managers, employees, appointees and substantive controllers, in all charity contributions and sponsorships, shall act in adherence with all relevant laws and internal regulations, and shall not use such contributions as a form of bribery.

Article 13 (Prohibition of Unreasonable Gifts, Loans and Improper Benefits)

The Company and its directors, managers, employees, appointees and substantive controllers, shall not directly or indirectly give or receive unreasonable gifts, loans or

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

improper benefits for the purpose of establishing commercial relations or influencing business behavior.

Article 14 (Prohibition of Infringement of Intellectual Property Rights)

The Company and its directors, managers, employees, appointees and substantive controllers, in the process of carrying out their duties, shall act in adherence with laws and internal procedures and agreements relating to intellectual property rights; without the consent of all relevant intellectual property owners, such rights shall not be used, disclosed, disposed, damaged, or infringed upon in any way.

Article 15 (Prohibition of Anti-Competitive Practices)

The Company shall conduct its commercial activities in adherence with all pertinent competitive practice laws.

Article 16 (Protection of the Rights and Interests of Stakeholders)

The Company and its directors, managers, employees, appointees and substantive controllers, in the process of carrying out their duties, shall act in adherence with relevant laws and international standards, and shall set up designated stakeholders section on the corporate website, in order to protect the rights and interests of Company stakeholders.

Article 17 (Organization and Responsibility)

The Company and its directors, managers, employees, appointees and substantive controllers shall make all reasonable efforts to fulfill their management duties in preventing dishonest behavior, and shall periodically review their effectiveness and progress in doing so, in order to ensure the successful implementation of the Company's integrity management policies.

In order to strengthen its integrity management, the Company shall establish an entity under the direct supervision of the board of directors, responsible for the integrity management policies, prevention measures, and supervision thereof, which shall administer and periodically report to the board of directors on the following:

- (1) Assist in integrating integrity and ethical values into the Company's operational strategy, and cooperating with the judicial system in following all integrity management related preventative measures.
- (2) Set in place prevention measures against dishonest behavior, and in each preventative measure establish standard operational procedures or behavioral guidelines for the relevant business areas.
- (3) Plan out internal organization, structure, and responsibility, and set up a mutual

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

supervision and checks and balances mechanism for business lines which area at a high risk of dishonest behavior.

(4) Promote and coordinate guidance and training on the Company's integrity management policies.

(5) Establish a reporting system and ensure that it is effectively implemented.

(6) Assist the board of directors and Company management to check and evaluate whether the integrity management preventative measures have been effectively implemented, and make periodical evaluations of relevant operational procedures' compliance status, and compile the findings of said evaluations into reports.

Article 18 (Legal Compliance in Operations)

The Company and its directors, managers, employees, appointees and substantive controllers, in the process of carrying out their duties, shall act in adherence with legal regulations and preventative measures.

Article 19 (Avoidance of Interest)

The Company shall set in place a policy to avoid conflicts of interest, and identify, supervise and manage the risk of such conflicts of interest leading to dishonest behavior. The Company shall also provide a means for directors, managers, or other stakeholders present at board of directors meetings to explain the presence or absence of potential conflicts of interest.

When a proposal under consideration by the board of directors involves either the personal interests of a director or the interests of the corporate entity they represent, the relevant director should, during that same board meeting, make an explanation of the significance of said interests; if these interests are deemed potentially harmful to the interests of the Company, the said director shall not take part in the discussion or voting on the related proposal, and shall recuse him/herself from participation; additionally, said director may not act as proxy for another director in exercising their voting rights. The members of the board of directors shall operate with discipline, and shall not engage in improper mutual support.

The Company and its directors, managers, employees, appointees and substantive controllers shall not use their Company position or influence to improperly benefit themselves, their spouses, parents, children, or any other third party.

Article 20 (Accounting and Internal Controls)

The Company shall establish effective accounting and internal control systems for business areas with a high risk of dishonest behavior, and shall not allow off-the-book accounts or secret accounts, and shall periodically make reviews to ensure the

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

continuing effectiveness of the design and implementation of such systems. The Company's internal auditing unit shall undertake periodic inspections of the aforementioned system's compliance status, and shall report their conclusions to the board of directors; additionally, the Company shall commission an accountant to undertake such inspections, and, when necessary, shall commission other relevant professionals to assist therein.

Article 21 (Operational Procedures and Behavioral Guidelines)

The Company shall adhere to Article 6 of these Guidelines and set in place operational procedures and behavioral guidelines, to establish clear and specific guidelines according to which directors, managers, employees and substantive controllers shall carry out their duties; the content of said guidelines shall at minimum cover the following:

- (1) Certified standards for the provision or receiving of improper benefits.
- (2) Procedures for the provision of legal political contributions.
- (3) Procedures and amount standards for the provision of charitable donations or sponsorships.
- (4) Guidelines for avoiding workplace conflicts of interest, and procedures for the reporting and handling thereof.
- (5) Requirements pertaining to confidential workplace and commercially sensitive information.
- (6) Guidelines and handling procedures for suppliers, clients, and business counterparties suspected of dishonest behavior.
- (7) Handling procedures for discovered violations of the business integrity code of conduct.
- (8) Disciplinary measures for infringements and violations of the above policies.

Article 22 (Education, Training, and Inspection)

The Company shall periodically convey the importance of integrity to its directors, managers, employees, and appointees.

The Company shall periodically organize education, training, and guidance courses for its directors, managers, employees, appointees, and substantive controllers, and shall invite those engaging in relevant commercial activities with the Company to attend, in order to ensure that they have a clear understanding of the importance of integrity in the Company's commitment, policies, prevention plans, and punitive measures for dishonest behaviors.

The Company shall integrate its integrity management policy into its employees' performance evaluations and human resource policies, and establish a related

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

system of reward and punishment which is clear and effective.

Article 23 (Reporting System)

The Company shall establish an effective offense reporting system, and ensure its proper implementation; the reporting system shall at minimum cover the following:

- (1) Establish and make public the Company's internal and external independent reporting mailbox or hotline, and make it available for use both internally and externally.
- (2) Appoint a designated individual or unit responsible for the reporting system. Reports concerning directors or high-level managers shall be reported to the Company's independent directors. The Company shall also set in place investigation standards and handling procedures for different categories of reports.
- (3) The recording and preservation of documents related to the handling, investigation process and results of all reported items.
- (4) The confidentiality of both the reporter's identity and the content of the report.
- (5) Ensure that the individual making the report is not unjustly punished for making the report.
- (6) Procedures for rewarding the individual making the report.

Article 24 (Disciplinary and Appeals System)

The Company shall establish and make public a system of discipline and appeals relating to violations of the Company's integrity management guidelines, and shall promptly disclose on the Company's internal website information including the violation date, violation content, and remedial procedures taken.

Article 25 (Information Disclosure)

The Company shall consistently promote its integrity management policy, and on the Company website, in its annual reports and prospectuses, shall disclose the measures adopted and the implementation status of this policy. The Company shall also disclose the content of its Integrity Management Code on the Taiwan Stock Exchange's Market Observation Post System.

Article 26 (Review and Revision of the Integrity Management Policy and Measures)

The Company shall periodically review domestic and international integrity management-related developments, and shall encourage Company directors, managers, and employees to contribute recommendations as a means of improving the Company's set integrity management policies and measures, and implementing said policies and measures more effectively.

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

Article 27 (Implementation)

These Guidelines shall take effect upon approval or revision by the Company's board of directors.

In accordance with the previous Article, when the Company's integrity management guidelines are reported to the board of directors for discussion, full consideration shall be given to the views of the Company's independent directors, which shall be recorded in the board of directors' meeting minutes; if any of the independent directors are unable to personally attend the meeting to express their opposition or reservations, absent a valid reason for their non-attendance, they shall submit their views in print format so that they may be recorded in the meeting minutes.

Units within the Company that have established supervisor positions shall make these Guidelines available for the use of said supervisors in their roles supervising Company directors, managers, employees, and appointees.