

## **Communication between the Audit Committee and Risk Management Departments**

### **1. Policy on the Communication between the Audit Committee and Risk Management Departments**

In order to improve the communication and interaction between the audit committee and risk management departments of the Company, the Company has formulated the “Communication Procedures among the Audit Committee, Risk Management Committee, and Risk Management Department.” The audit committee establishes and implements a risk management mechanism through the operation of the risk management committee and the communication with risk management-related units, and continuously improves the implementation of effective supervision of risk management.

### **2. Operation of the Risk Management Committee**

In order to facilitate the integration and implementation of risk management related matters of the Company and its subsidiaries, the Company has formulated the “Risk Management Committee Charter.” The risk management committee assists the board of directors in overseeing the implementation of the risk management system and establishes a communication and reporting mechanism to ensure the effective operation of the risk management system.

### **3. Matters of Communication between the Audit Committee and Risk Management Departments:**

- (1) The risk management committee meets quarterly to hear reports from risk management departments, review important risk management proposals, and communicate important risk management matters.
- (2) The risk management department regularly evaluates and reports on the Company’s existing or potential risks and operating risks to assist the audit committee and the board of directors in monitoring and managing various types of risks the Company faces.
- (3) The audit committee reviews the audit report of the risk management mechanism every year to ensure the integrity and effectiveness of the Company’s risk management system.

4. Communication between the Audit Committee and Risk Management

Departments

Date	Audit Committee Terms	Communication Matters	Communication Results
2020.1.21	11th meeting of the 8th audit committee	To amend certain provisions of the "Risk Management Committee Charter of Yuanta Financial Holding Co., Ltd."	Passed; reported to the board of directors for decision.
2020.4.21	14th meeting of the 8th audit committee	To amend the Company's market risk limits for the year 2020.	Passed; reported to the board of directors for decision.
2020.11.17	21st meeting of the 8th audit committee	<ol style="list-style-type: none"> <li>1. The report and resolutions of the 4th meeting of the risk management committee in 2020.</li> <li>2. To amend certain provisions of the "Risk Management Policy of Yuanta Financial Holding Co., Ltd."</li> <li>3. To amend certain provisions of the "Risk Management Committee Charter of Yuanta Financial Holding Co., Ltd."</li> <li>4. To amend certain provisions of the</li> </ol>	<ol style="list-style-type: none"> <li>1. Received and acknowledged; transferred to report to the board of directors.</li> <li>2. Passed; reported to the board of directors for decision.</li> <li>3. Passed; reported to the board of directors for decision.</li> <li>4. Text correction passed; reported to the board of directors for decision.</li> <li>5. Passed; reported to</li> </ol>

		<p>“Regulations Governing Market Risk Management of Yuanta Financial Holding Co, Ltd.,”</p> <p>“Regulations Governing Market Liquidity Risk Management of Yuanta Financial Holding Co. Ltd.,”</p> <p>“Regulations Governing Credit Risk Management of Financial Transactions of Yuanta Financial Holding Co. Ltd.,”</p> <p>and “Regulations Governing Large-Volume Risk Exposure Management of Yuanta Financial Holding Co., Ltd.”</p> <p>5. To amend certain provisions of the “Regulations Governing the Valuation of Unlisted (Over-the-Counter) Equity Securities of Yuanta Financial Holding</p>	<p>the board of directors for decision.</p>
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2020.12.15	22nd meeting of the 8th audit committee	<ol style="list-style-type: none"> <li>1. 2020 annual evaluation report of the risk management mechanism.</li> <li>2. 2021 annual operation risk assessment and management matters.</li> <li>3. The report and resolutions of the 5th meeting of the risk management committee in 2020.</li> <li>4. To set the Company’s various risk limits for 2021.</li> </ol>	<ol style="list-style-type: none"> <li>1. Received and acknowledged; transferred to report to the board of directors.</li> <li>2. Received and acknowledged; transferred to report to the board of directors.</li> <li>3. Received and acknowledged; transferred to report to the board of directors.</li> <li>4. Passed; reported to the board of directors for decision.</li> </ol>