

Yuanta Financial Holding Company
Whistleblowing System and Implementation Measures

Approved by the Board of Directors on August 29, 2018 (31st meeting of the 7th board)
Amendments approved on November 27, 2019 (8th meeting of the 8th board)
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Article 1 (Setting of Purpose and Basis)

In order to establish a corporate culture of transparency and integrity, to promote sound operations, and to encourage those suspecting the Company's involvement in crimes, corruption, or other illegal acts to come forward and report their concerns, the Company sets this System and these Implementation Measures in accordance with Article 34-2 of the *Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries*.

Article 2 (Scope of Application)

Any person who discovers suspected crimes, corruption, or other illegal acts shall submit a whistleblowing report. However, these Measures shall not apply to any of the situations described below:

1. Inquiries related to the Company's internal management measures or operating procedures, such as holiday policies, terms of employment, applications for reimbursements of expenses, or the divisions of powers and responsibilities within Company's units or business operations.
2. Personnel matters which are already covered under grievance or processing procedures set by the Human Resources Department, such as those relating to performance evaluations, promotions, salary and compensation, and workplace sexual harassment prevention.
3. Private disputes, such as those arising from personal interactions or family relationships.
4. Incidents which are not related to the business of the Company or the Company's subsidiaries.

For matters that are not within the scope of application of these Measures, but which are covered by other of the Company's internal guidelines, those guidelines shall prevail.

Article 3 (Definition of Terms)

Definitions of the terms used in these Measures are provided below:

1. Whistleblower: The person submitting the whistleblowing report.

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2. Subject of the whistleblowing report: The person accused of involvement in a crime, corruption, or other illegal activity, who at the time of the incident is the Company's director, manager, or employee.
3. Whistleblowing report processing unit (hereafter: processing unit): The Company's Legal Compliance Department.
4. Whistleblowing report investigating unit (hereafter: investigating unit): The Company's Audit Department.

Article 4 (Types of Whistleblowing Report)

With regards to whistleblowing reports made in accordance with these Measures, the Company shall recognize reports falling into the following categories:

1. Criminal Acts: Refers to any illegal behaviors as defined by the laws of the Republic of China.
2. Corrupt Acts: Refers to any of the unethical behaviors described in the Company's Procedures for Integrity Management and Guidelines for Conduct
3. Regulatory Violations: Refers to violations of financial laws, as well as regulations and orders promulgated by the Financial Supervisory Commission (including violations of administrative procedures as set out in the *Administrative Procedure Act*).

Article 5 (Reporting Channels and Methods)

Whistleblowers shall report any of the situations described in the previous Article via writing, telephone, email, or any other reasonable means, and shall submit the reports to the Company's designated whistleblowing unit, using the contact information below:

Telephone number and email: disclosed on the Company's website

Mailing address: No. 66, Sec. 1, Dunhua E. Rd, Taipei 10557, Taiwan

Yuanta Financial Holdings Whistleblowing Reports Unit

For whistleblowing reports made by telephone, the processing unit's personnel shall notify the whistleblower of a designated location in which a recording of the report can be made, a copy of which the whistleblower will be asked to sign, confirming that the contents of the report are accurate. In the event that the whistleblower refuses to comply with these procedures, the processing unit personnel shall record as such and make use of available information to determine whether or not to continue processing the report.

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Article 6 (Duties of the Whistleblower)

When submitting a whistleblowing report, the whistleblower shall, at minimum, provide the following information:

1. Whistleblower's valid contact information. Contact information shall include, but not be limited to: telephone number, mailing address, fax number, or email address.
2. Concrete information implicating the subject of the whistleblowing report in one of the illegal acts described in Article 4 of these Measures, including the location where the reported matter occurred, or any other relevant information to assist in the investigation.

Article 7 (Processing Timeframe and Whistleblower Notification)

When the processing unit receives a whistleblowing report, it shall register the case, and examine the report documents, as well as the audio, video, or written records, along with any other relevant information to determine whether or not to approve the case for processing. Approved cases shall then be transferred to the investigating unit for investigation.

The investigating unit shall complete its investigation within three months of the day after its receipt of the whistleblowing report. During this period, if the investigation unit determines that an extension is necessary to complete the investigation, it may request one extension for a period not exceeding three months.

The processing unit shall keep the whistleblower updated on the status of the investigation using written or other reasonable means.

Article 8 (Report Filing Principles and Procedures for Rejected Reports)

The processing unit shall not approve a whistleblowing report for processing, but shall register and maintain a record of it, in any of the following situations:

1. The whistleblower has not provided valid contact information.
2. The reported matters do not fall within the scope of application as defined in Article 2 or the recognized types of whistleblowing report described in Article 4.
3. The whistleblowing report does not contain the information required in Article 6, or is clearly made with malicious and false intent.
4. The reported matter has already been rejected, or has already been investigated to completion. However, in cases where the whistleblower submits new evidence demonstrating the need for additional investigation, these restrictions shall not apply.

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5. The reported matter is currently being investigated by relevant agencies, or is already in litigation in a court of law, or has already received a verdict therein, or has been referred for mediation or arbitration.

Whistleblowing reports relating to matters that have already been reported by another whistleblower, or are currently being investigated by the Company or other entity, shall be processed together with the existing report.

With regard to the aforementioned whistleblowing reports that are not accepted for processing, but are registered and kept on file, if the reported matter is significant or if the evidence submitted requires investigation, the Company shall, based on the specifics of the situation, handle the matter in accordance with the relevant guidelines. If the reported matter is related to suggested improvements to the Company's management system, the significant contents shall be transferred to the relevant department for the purpose of reference and review; alternatively, the Company may use other methods to bring the reported matter to the attention of the relevant department, including but not limited to employee education or training courses.

Article 9 (Case Transfer to Subsidiaries)

With regard to whistleblowing reports which the content does not involve the Company and the subjects of the report are individuals in the Company's subsidiary, the processing unit shall follow the procedures as defined in the above two articles to register the case and to determine whether or not to approve the case for processing, and where the case is approved, the case shall be handed over to the subsidiary to be handled according to the subsidiary's whistleblowing policy. However, in case of special circumstances or where processing by the subsidiary is deemed inappropriate, this shall not apply.

Article 10 (Investigation Principles and Cooperation Procedures)

With regard to whistleblowing reports which are referred for investigation, the investigating unit shall handle the reported matter and its relevant evidence in accordance with the following principles:

1. The investigating unit shall contact relevant departments to cooperate in the investigation.
2. Investigations shall be carried out in a fair and objective manner, and shall allow the subject of the whistleblowing report or other relevant individuals to fully express their views and refute the allegations against them.
3. The investigating unit shall notify the whistleblower and the subject of the whistleblowing report of a time and place to explain in person their respective

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versions of the events, and shall seek the assistance of individuals with relevant academic experience as necessitated by the case.

4. When the whistleblower and the subject of the whistleblowing report have made their statements, and no further questioning is required, the investigating unit shall refrain from conducting repeated rounds of questioning.

Following the completion of an investigation, the investigating unit shall compile the conclusions of the investigation and its recommended actions in a written report. If the subject of the whistleblowing report is a member of the Company's general staff, the investigating unit shall send its report to the member of executive management responsible for the said person. In the event that the subject of the whistleblowing report is a Company director (or independent director) or a member of upper management with a position of vice president or higher, the investigating unit shall not report to the chairperson of the board of directors, but shall first report to the Audit Committee, so that the Committee can conduct a secondary review, and shall then report to the board of directors.

If the investigation determines that a major incident or legal violation has occurred, the Company shall impose a penalty in accordance with its internal guidelines, and shall voluntarily report the matter to the relevant authorities. However, before imposing a penalty or reporting the matter, the Company shall allow the subject of the whistleblowing report to explain his or her version of the events, and grant him or her the right to appeal.

Article 11 (Standard Operating Procedures for Investigation Follow-up)

Whistleblowing reports which have been verified following an investigation shall be handled in accordance with the procedures below:

1. Immediately require the subject of the whistleblowing report to cease the improper behavior, and prepare any necessary preventive or emergency response measures.
2. Require the relevant department to submit a written report reviewing the matter and setting out corrective measures to be taken; after receiving the report, the investigating unit shall follow up with the relevant department until the improvements have been completed.
3. In cases where major violations have occurred or where the improper actions have caused material damage to the Company, the relevant department shall report directly to the Audit Committee on its review of the matter and corrective measures to be taken.
4. In order to protect its reputation and interests, when necessary, the Company shall

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take legal steps to seek compensation for damages incurred.

Article 12 (Whistleblower Protection Measures)

The Company personnel responsible for handling a whistleblowing report shall submit a written declaration to the whistleblower guaranteeing that their identity and the contents of their report will remain confidential. The responsible personnel shall not release any type of information which may be used to identify the whistleblower, including but not limited to their name, age, address, appearance, position, relevant documents, images, or news, or any other potential identifiers. However, for instances in which the whistleblower agrees to disclose, or voluntarily discloses his or her own identity, or in which the disclosure of such information is required by the law, the above restrictions shall not apply.

The Company shall provide the following protections to whistleblowers:

1. The whistleblower shall not be terminated, dismissed, downgraded/relocated, given a reduction in pay, or suffer impairment to any entitlement under the law, contract or customs, or other unfavorable disposition due to the reported case. However, for instances in which the Company's operations require organizational restructuring, consolidation, or dissolution, and are not being carried out as a punishment to the whistleblower individually, or in which the whistleblower has been investigated and penalized for other improper or illegal behavior, the above restrictions shall not apply.
2. If the whistleblower is subject to threats, intimidation, or any other harmful behavior, the Company shall assist them in reporting the matter to the authorities.

Article 13 (Recusals Due to Conflicts of Interest)

In the event that the Company personnel responsible for processing a whistleblowing report discovers that they have a personal interest in any matter related to the case, they shall submit a written explanation of the nature of that interest and shall apply to recuse themselves in order to avoid a conflict of interest.

Article 14 (Compilation and Preservation of Records)

The Company shall compile written or electronic files documenting the processing, investigation, and results of all whistleblowing reports; the Company shall further maintain records of all such cases, in electronic form, for a period of five years. If before the end of the preservation period any litigation arises in connection with a whistleblowing report, the relevant materials shall continue to be preserved until the litigation is concluded.

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Article 15 (Responsibility for False or Misleading Reports)

If the whistleblower is an individual of the Company and is proven to have made false accusations or submitted false evidence, the Company shall impose a penalty in accordance with its internal guidelines.

Article 16 (Education and Training)

The Company shall conduct regular educational and training courses for its employees regarding the whistleblowing system established by these Measures.

Article 17 (Implementation)

These Measures shall take effect, along with any subsequent amendments, upon receiving approval from the Company's board of directors.