

**Yuanta Financial Holding Company and Subsidiaries**  
**Guidelines of Supplier Management**

*Approved by the President on January 21, 2019*

**Article 1**

In order to manage the communication between this Company and its subsidiaries (hereinafter referred to as “each company”) with suppliers, so that the quality of procurement can be improved and corporate social responsibility jointly advocated with suppliers, these Guidelines are specially formulated.

**Article 2**

The selection and evaluation of suppliers may be handled by each company’s administrative department or the requisitioning unit.

**Article 3**

The selection and evaluation of suppliers shall be handled in accordance with the following regulations:

1. Selection before procurement:  
According to actual needs, quality, price, delivery and after-sales service are used as the basic basis for supplier selection.
2. Evaluation after procurement:
  - (1) In the first half of each year, each company may evaluate suppliers that have accumulated a transaction amount of more than NTD 1 million in the previous year and 12 transactions.
  - (2) The evaluation criteria are based on the supplier’s delivery quality, delivery time and service capabilities, etc.
  - (3) Suppliers shall cooperate to comply with the following relevant regulations of each company, and their compliance will be listed as a reference for selection and evaluation:
    - i. Integrity management regulations.
    - ii. Confidentiality regulations.
    - iii. Personal data protection regulations.
    - iv. Corporate social responsibility regulations.
3. Suppliers with good appraisal may be given priority for related business of each company. If a supplier violates the above-mentioned relevant regulations or becomes involved in a violation of corporate social responsibility which has a significant impact on the environment and society, each company may refuse to

deal with the supplier.

4. In order to fulfill their corporate social responsibilities with suppliers, each company must prioritize to select green products with characteristics of environmental protection, energy saving, water saving and green building materials when handling procurement cases.

#### **Article 4**

When each company signs a transaction contract with a supplier, human rights and environmental sustainability clauses shall be included.

#### **Article 5**

These Guidelines, and any amendments to them, shall be implemented upon approval by the President.