

**Yuanta Financial Holding Company**  
**Rules and Procedures of Board Meetings**

*Approved by the Board of Directors on December 26, 2006 (9th meeting of the 3rd board)*

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

*Amendments approved on March 25, 2008 (12th meeting of the 4th board)*

*Amendments approved on March 30, 2010 (42nd meeting of the 4th board)*

*Amendments approved on September 25, 2012 (31st meeting of the 5th board)*

*Amendments approved on September 27, 2017 (19th meeting of the 7th board)*

*Amendments approved on December 25, 2019 (10th meeting of the 8th board)*

*Amendments approved on February 26, 2020 (13th meeting of the 8th board)*

*Amendments approved on April 29, 2020 (15th meeting of the 8th board)*

*Amendments approved on November 21, 2022 (8th meeting of the 9th board)*

**Article 1**

The Rules and Procedures of Board Meetings are adopted pursuant to Article 47 of the Company's Corporate Governance Guidelines, in order to establish a sound corporate governance system for the board of directors.

**Article 2**

In principle, the Company's meetings of the board of directors shall be convened once every month.

A written notice (via mail, fax, or electronic means) specifying the reason for convening a meeting of the board of directors, and date and time of the meeting, shall be sent to all directors seven (7) days before the scheduled meeting day; however, a board meeting may be called on shorter notice in emergency circumstances.

**Article 3**

When the Company convenes a board of directors meeting, the Secretariat Office shall set the agenda and provide sufficient information regarding the meeting content along with the meeting notice.

The matters described in the subparagraphs under Paragraph 1, Article 11 of these Rules and Procedures shall be set out in the meeting notice and may not be raised by an extemporary motion.

Where a director finds the meeting materials insufficient, he or she may ask the Secretarial Office to provide additional information before the board meeting.

If a director believes the agenda information is incomplete, discussion of the matters

may be postponed upon approval of the board.

#### **Article 4**

When the Company's board of directors meeting is convened, a signature book shall be prepared to record the signatures of the directors present at the meeting for reference. A director of the board who participates in the meeting via audio or video-conference shall be considered in attendance.

All board directors shall attend board meetings in person; if attendance in person is not possible, a director may, pursuant to the Company's Articles of Incorporation, appoint another director to attend as his or her proxy.

When a director appoints another director to attend a board meeting, he or she shall, each time, issue a written proxy. The proxy form shall state therein the scope of authority of such proxy with reference to the subject matters to be discussed as listed in the board meeting notice.

A director's proxy as described in the second paragraph may act as a proxy for only one other director.

The annual attendance rate of each director of the board (excluding by proxy) shall exceed 80% (excluding by proxy) and shall be included as part of the director's performance evaluation.

#### **Article 5**

The meeting place and time of the board of directors of the Company shall be at the location and office hours of the Company or at a place and time convenient for the directors to attend and suitable for the board meeting.

#### **Article 6**

Meetings of the board of directors convened by the chairperson of the board shall be chaired by the chairperson of the board. However, the first meeting of the board of directors of each new term shall be chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected. If there are two or more directors so entitled to convene the meeting, they shall choose one person by and from among themselves to chair the meeting.

According to Article 203, Paragraph 4, or Article 203-1, Paragraph 3 of the *Company Act*, if the meeting of the board of directors is convened at will by more than half of the directors, the directors shall nominate among themselves one director to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise

the powers of the chairperson, the vice chairperson shall do so in place of the chairperson. When there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to exercise the powers of the chairperson, the chairperson shall designate a director of the board to represent him. If the chairperson does not make such a designation, the directors shall nominate among themselves one director to exercise the powers of the chairperson.

#### **Article 7**

When holding a meeting of the board of directors, the board may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the chairperson may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

When the time of a meeting has arrived and more than one half of all board directors are present, the meeting chairperson may start the meeting. If the meeting is about to start and the number of directors present is less than one half of all board directors, the chairperson shall announce a postponement of the meeting, provided that only two postponements can be made. If the quorum is still not met after two such postponements, the chairperson shall reconvene the meeting following the procedures provided in Article 2, Paragraph 2.

The term "all directors of the board" as used in these Rules and Procedures shall be counted as the actual number of directors in office.

#### **Article 8**

After a director of the board has made a statement at a board meeting, the chairperson of the board or an individual specifically designated by the chairperson shall make a response.

In instances where a director has spoken without permission from the chairperson, issued a repeated statement on a proposal, or made a statement which is unduly long or not germane to the proposal, thereby affecting other directors from making statements or impeding the progress of the meeting, the chairperson shall stop the improper speech or behavior so that the meeting may smoothly proceed.

#### **Article 9**

Board of directors meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may

be changed with the approval of a majority of directors present at the meeting.

The meeting chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.

The meeting chairperson shall use his or her discretion as to whether to take a break in the course of a meeting.

#### **Article 10**

Agenda items for regular board of directors meetings of the Company shall include the following:

1. Matters to be reported: (Categorization proposed at each regular board meeting)
  - (1) Minutes of the proceedings of the previous meeting and status of Implementation.
  - (2) Important financial and business reports.
  - (3) Internal audit and business reports.
  - (4) Other important reports.
2. Matters for discussion:
  - (1) Matters reserved for further discussion from the previous meeting.
  - (2) Matters to be discussed during the meeting.
3. Other items (including reference items, etc.)
4. Extemporaneous motion.

#### **Article 11**

The following matters shall be raised at the Company's board of directors meeting for decision:

1. Convening a shareholders' meeting.
2. Amendments to the Articles of Incorporation.
3. Corporate operation plan.
4. Appointment and removal of perennial legal counsel.
5. The election or discharge of the chairperson of the board of directors.
6. Adoption or amendment of an internal control system pursuant to Article 14-1 of the *Securities and Exchange Act* (hereinafter: "the Act"), and assessing the effectiveness of the internal control system and issuing a statement of the internal control system.
7. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
8. Matters involving directors' own interests.

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9. Significant asset or derivative product transactions.
10. Significant loans, endorsements, or guarantees.
11. Fundraising, issuance, or private placement of equity-type securities.
12. The appointment, dismissal, or remuneration of a certified public accountant (CPA).
13. The appointment or dismissal of finance, accounting, internal audit, risk management, or legal compliance management personnel.
14. The annual financial reports signed or sealed by the chairperson of the board of directors, managers and accounting heads, and the second-quarter financial reports and the compiled final account books, which must be checked and certified by an accountant.
15. A donation to a related party or a significant donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
16. Appointment and removal of management personnel not falling under Subparagraph 13 of this Paragraph.
17. Any matter required by the law, Company regulations to be approved by a board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term “significant” as used in Subparagraphs 6 to 14 of the preceding Paragraph, as well as other matters specified as “significant” by the Company or regulatory authorities, shall be approved by a majority of the full audit committee; with the exception of Subparagraph 14, if these matters do not receive approval by a majority of the full Audit Committee, they shall require approval by at least two-thirds of the full board of directors, and shall clearly state the resolution of the Audit Committee in the meeting minutes.

The term “related party” in Subparagraph 15 of Paragraph 1 refers to a related party as defined in the *Regulations Governing the Preparation of Financial Reports by Securities Issuers*. The term “significant donation to a non-related party” refers to any individual donation, or cumulative donations within a one-year period to a single recipient, which meets one of the following conditions:

- (1) An amount of NTD100 million or more.
- (2) An amount equal to or greater than one percent (1%) of net operating revenue or five percent (5%) of paid-in capital as stated in the CPA-attested financial report for the most recent year.
- (3) Any lower amounts specified in other of the Company’s management measures.

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The term “within a one-year period” in the preceding paragraph refers to a period of one (1) year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

In addition to matters specified by law or the Company’s internal regulations as requiring a resolution of the board of directors, the Company authorizes its chairperson to handle the following matters:

- (1) Supervision and management of the Company’s derivative product transactions.
- (2) Approval of the base date for capital increase or capital reduction.
- (3) Approval of the base date for cash dividend distribution.
- (4) Approval of the base date for stock bonus and option.

At least one of the Company’s independent directors shall attend the board of directors meeting in person; with regard to the matters specified in Paragraph 1 as necessary to submit for a resolution of the board of directors, all independent directors shall attend the board meetings. If an independent director is unable to attend, he or she shall authorize another independent director to attend as a proxy on his or her behalf. If an independent director has reservations about or opposes a proposal before the board, he or she shall explain his or her views in the board’s meeting minutes; if the independent director cannot personally attend the meeting to explain his or her reservations or objections, unless he or she has a valid reason, he or she shall submit a written version of his or her views in advance of the meeting, and the document shall be included in the board’s meeting minutes.

## **Article 12**

When the chairperson at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting it to a vote, the chairperson may announce the discussion is closed and bring the matter to a vote.

When a proposal comes to a vote at a board of directors meeting, if the chairperson puts the matter before all the directors present at the meeting and none voices an objection, the matter is deemed approved. When the chairperson asks and there is an objection, the proposal shall be put to a vote, and the vote shall be taken by a show of hands. The chairperson shall calculate and announce the vote on the spot. "All the directors present at the meeting" mentioned in the preceding two paragraphs does not include the directors prohibited from exercising voting rights pursuant to Article 14, Paragraph 1 of these Rules and Procedures.

### **Article 13**

Each director of the board shall have one vote. Except where otherwise specified by the *Securities and Exchange Act* or the *Company Act*, voting on board resolutions shall take place when more than one half of the directors of the board are in attendance, and shall require the approval of a majority of the directors present to pass.

When a proposal before the board has an amendment or alternative, the chairperson shall determine the order of voting with the original proposal. However, if one of the versions of the proposal has already passed, the others shall be seen as having been rejected, and the board shall not proceed with voting on them.

The voting results on proposals shall be reported on the spot, and shall be made into records.

### **Article 14**

The directors of the board shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is a stakeholder with respect to any motion in a board meeting, the director shall state the important contents of the stakes at the meeting. When the stakes are likely to prejudice the interests of the Company, the director may not participate in the discussion and voting on that motion and shall enter recusal during the discussion and voting. The director shall also not act on behalf of other directors to exercise their voting rights. The directors shall also exercise self-discipline in their relationships with one another and shall not offer improper mutual support.

A director's spouse, his or her collateral relatives by blood within two generations, or companies with a controlling affiliation with the director, who have an interest in the meeting matter mentioned in the preceding paragraph shall be deemed that the director him- or herself has a stake in the matter.

In board resolutions in which a director has, pursuant to the preceding two paragraphs, not exercised his or her voting rights, he or she shall not be counted in the voting tally for directors in attendance on the resolution.

### **Article 15**

The Company shall record on audio or video devices the entire proceedings of a board of directors meeting, and preserve the recordings for at least five (5) years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the

litigation is concluded.

Where a board of directors meeting is held via audio or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

#### **Article 16**

The deliberations of the board of directors of the Company shall be recorded in the proceedings, which shall record the following matters in detail:

1. Term (or year), time, and place of the meeting.
2. Chairperson's name.
3. Attendance of the directors, including names and numbers of the directors who are present at the meeting, on leave, or absent from the meeting.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of the minutes taker.
6. Matters reported on.
7. Discussion items: the method of resolution and the result of each proposal; summaries of the comments made by directors, experts, and other persons; the name of any director that is a stakeholder as referred to in Paragraph 1 of Article 14 of these Rules and Procedures, explanations of the important contents of the stakes, the reasons why the director was required or not required to enter recusal, and the status of the recusal; objections or reservations with records or written statements; and any opinion issued in writing by an independent director.
8. Extempore motion: the name of the person submitting a proposal; the method of resolution and the result of each motion; summaries of the comments made by directors, experts, or other persons; the name of any director that is a stakeholder as referred to in Paragraph 1 of Article 14 of these Rules and Procedures, explanations of the important contents of the stakes, the reasons why the director was required or not required to enter recusal, and the status of the recusal; and objections or reservations with records or written statements.
9. Other matters required to be recorded.

If either of the following happens to the resolution of the board of directors meeting, the fact should be specified in the meeting minutes and be announced and declared on the Market Observation Post System designated by the Taiwan Financial Supervisory Commission within two (2) days of the board of directors meeting:

1. If there is any objection or reservation by any independent director with a record or written statement.
2. The audit committee of the Company does not approve any matter, but the board of directors approves the matter with the votes of at least two-thirds of all of the



directors.

The board meeting attendance book is part of the minutes of the proceedings and shall be properly kept during the existence of the Company.

Minutes of the proceedings shall be signed or sealed by the chairperson and the minutes taker of the meeting, and copies thereof shall be distributed to all directors within twenty (20) days of the meeting. The minutes shall be deemed important files of the Company and be properly kept during the existence of the Company.

Preparation and distribution of the minutes of the proceedings in Paragraph 1 may be done electronically.

#### **Article 17**

These Rules and Procedures, and any amendments to them, shall be implemented upon approval by the board of directors of the Company.