

2023 Fulfillment of Integrity Management

Assessment Items	Operating Status (Note 1)			Discrepancies from <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and reasons
	Yes	No	Summary	
<p>1. Establishing integrity management policies and programs</p> <p>(1) Has the Company established an integrity management policy approved by the Board of Directors, and have the policy and practice of integrity management been stated in the bylaws and external documents, and have the Board of Directors and senior management actively implemented the commitments of the management policy, and disclosed them on the Company website?</p>	V		<p>(1) A. In accordance with the policies of Financial Supervisory Commission (FSC) and the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and <i>Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct</i> published by the Taiwan Stock Exchange Corporation, the Company has established the “Integrity Management Guidelines” and the “Procedures for Integrity Management and Guidelines for Conduct” (hereinafter referred to as “Guidelines for Conduct”) of the Company. Integrity Management Guidelines and Guidelines for Conduct were approved by the Board of Directors and are applicable to the Company, its subsidiaries, and any foundation to which the Company’s direct or indirect contribution of funds exceeds fifty percent (50%) of the total funds received.</p> <p>The Company will also continue to promote a policy based on “integrity” and establish good corporate governance and risk control and management mechanisms in order to create a business environment for sustainable development based on the business philosophy of honesty, transparency and accountability.</p> <p>The relevant rules and regulations of integrity</p>	<p>There was no discrepancy in this matter.</p>

management are listed at the following website:

<https://www.yuanta.com/TW/IR/Governance/Internal-Policies>

B. In order to facilitate the directors, supervisors, and senior management of the Yuanta Group to understand and practice the management philosophy of integrity, the Company has included the “Declaration of Integrity” as a document to be signed by the directors, supervisors, and senior management of the Yuanta Group starting from 2019 in line with the amendment regulations, and has kept it in a safe place, and in case of re-election of directors and supervisors or new appointees and new senior management, the signature must be completed. The main content of the declaration includes not acting in bad faith, not offering or accepting improper benefits, not making illegal political contributions or improper charitable donations or sponsorships, abiding by the principle of interest avoidance, fulfilling confidentiality obligations and not infringing on intellectual property rights, abiding by confidentiality agreements and not engaging in insider trading, fulfilling disclosure obligations and not accepting improper benefits, and avoiding transactions with unethical operators. In 2023, the signing rate of the “Declaration of Integrity” by the Company’s directors and senior management reached 100%, and there was no violation of the declaration.

The signing of the “Declaration of Integrity” and the commitment to implement the management policy are disclosed at the following website:

<https://www.yuanta.com/TW/IR/Governance/>

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(2) Has the Company established the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopted the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies</i> ?	V		<p>The Company will also continue to promote policies based on “integrity” and establish good corporate governance and risk control mechanisms in order to create a sustainable business environment based on its philosophy of clean, transparent, and responsible management.</p> <p>The relevant rules and regulations of integrity management are disclosed at the following website: https://www.yuanta.com/TW/IR/Governance/Internal-Policies</p> <p>The commitment to fulfill the management policy is disclosed at the following website: https://www.yuanta.com/TW/IR/Governance/Committees</p> <p>(2) The Company has specified in its Guidelines for Conduct and Professional Code of Ethics the relevant regulations to prevent the occurrence of unethical conduct and regularly reviews the content of the regulations for compliance with internal and external laws and regulations and internal practices. The Company periodically analyzes the business activities within its business scope that have a higher risk of unethical conduct in accordance with the regulations, performs risk assessment accordingly, and reviews the appropriateness and effectiveness of the preventive measures, covering at least the preventive measures for each conduct in the subparagraphs of Article 7, Paragraph 2 of the</p>	

<p>(3) Does the Company specify the operating procedures, conduct guidelines, disciplinary and grievance systems for non-compliance in its unethical conduct prevention program, implement them, review and revise the aforementioned program regularly, and disclose them on the Company's website?</p>	<p>V</p>	<p><i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i>, and provides the assessment results to the auditing unit for inclusion in the annual audit plan.</p> <p>(3)A. The Company's Integrity Management Guidelines and Guidelines for Conduct clearly prohibit unethical conduct and benefits, and prohibit bribery, accepting bribes, making illegal political contributions, improper charitable donations or sponsorships, and offering unreasonable gifts, hospitality or other improper benefits, and implement regular reviews of the appropriateness and effectiveness of prevention programs.</p> <p>The relevant rules and regulations of integrity management are disclosed at the following website: https://www.yuanta.com/TW/IR/Governance/Committees</p> <p>B. If the Company's personnel are involved in unethical conduct, after being found to be true, they shall be punished in accordance with the relevant laws and regulations or the Company's rules and regulations, and the Company shall seek damages through legal proceedings if necessary, in order to protect the Company's reputation and rights. If a disciplined employee disagrees, he or she may submit a request for reconsideration in accordance with the grievance system.</p>	
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<p>2. Implementation of integrity management</p> <p>(1) Does the Company evaluate the integrity record of its counterparties and specify the integrity terms in the contracts it signs with them?</p>	V		<p>(1) The Company specifies in the “Supplier Management Checklist” that when the purchase amount reaches NT\$20,000 or more, the purchasing unit should check the website of Taiwan’s Judicial Yuan for any public unethical conduct such as bribery or illegal political contributions. The results of the check are entered in the “Supplier Management Checklist” as an assessment of the integrity of the supplier, and when signing the procurement contract, the supplier is required to include the terms and conditions of integrity management and sustainable procurement.</p>	<p>There was no discrepancy in this matter.</p>

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(2) Does the Company have a dedicated unit under the Board of Directors to promote corporate integrity management, which is responsible for formulating and supervising the implementation of its integrity management policies and prevention programs, and reporting regularly (at least once a year) to the Board of Directors on its integrity management policies and programs for preventing unethical conduct and supervising their implementation, as well as describing the operation and implementation and disclosing them on the Company's website?	V		(2)A. In 2018, the Company established the "Sustainability Committee" under the Board of Directors as a dedicated unit for corporate integrity management, which is responsible for formulating and overseeing the implementation of policies and preventive programs for integrity management, and the Board of Directors approved the renaming of the Committee to the "Sustainable Development Committee" in 2022, with the "Integrity Management Office" and the "Corporate Sustainability Office" under it. The Integrity Management Office is responsible for the promotion and coordination of daily related matters and regularly reports to the Sustainable Development Committee on work plans and implementation results, and revises and reviews policies related to integrity management on a rolling basis to ensure their effectiveness. The Committee regularly reports to the Board of Directors on its activities to enable the Board to oversee the Company's implementation of integrity management-related activities. On March 29 and August 23, 2023, the Sustainable Development Committee reported to the Board of Directors the results of the implementation of the Integrity Management Office in the first and second half of the year, the implementation of the	

whistleblowing system in the first and second half of the year, and the fulfillment of the integrity management in 2022. The operations and performance of the Committee are published at the Company's website and in the Annual Report.

The related operations are disclosed at the following website:

<https://www.yuanta.com/TW/IR/Governance/Committees>

B. A summary of the operations and implementation of the Company's policy on integrity management in the year 2023 is as follows:

(A) Education and training:

In the fourth quarter, the Company held a training course on "Integrity Management and Legal Compliance" for all employees and managers. All employees and managers must attend the course and pass the test. A total of 11,550 people in the Yuanta Group attended the course and passed the test, with a total of 10,870 training hours.

(B) Regularly analyzing and assessing the business activities with higher risk of unethical conduct in the business scope: Each unit of the Company regularly analyzes the business activities within the scope of business that have a higher potential risk of unethical conduct on an annual basis, and performs risk assessment accordingly, and reviews the appropriateness and effectiveness of prevention programs. When the Internal Auditing Department conducts audits of the Company's business, it has included the "implementation of integrity

<p>(3) Does the Company have a conflict of interest prevention policy, provide appropriate channels of representation, and implement it?</p>	<p>V</p>	<p>management” and “assessment of potential risks of unethical conduct” in its audits to jointly manage and prevent the occurrence of unethical conduct.</p> <p>(C) Whistleblowing system: A total of three (3) reported cases were accepted, and there was no case involving unethical conduct.</p> <p>The Company has established the “Whistleblowing System and Implementation Measures,” which are posted at the following website: https://www.yuanta.com/TW/IR/Governance/Reporting-Mechanism</p> <p>(3) A. The Company’s conflict of interest prevention policy is set out in the Integrity Management Guidelines, Guidelines for Conduct, Rules and Procedures of Board Meetings, Scope of Duties for Director, and Professional Code of Ethics. Whenever a proposal listed in the Board of Directors’ meeting has an interest in the director and manager themselves or the legal entities they represent, or when the transaction or relationship may give rise to a conflict of interest, they should take the initiative to state it and deal with it in a lawful and appropriate manner or recuse themselves from it.</p> <p>B. The Company’s personnel shall not engage in any lending of funds, significant asset transactions, provision of guarantees, or other transactions in their own name or in the name of others that may conflict with the Company’s interests. In the performance of their duties, the Company’s personnel shall abide by the provisions of the rules in the preceding paragraph.</p>	
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(4) Has the Company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit prepared an audit plan based on the assessment of the risk of unethical conduct, and checked the compliance of the unethical conduct prevention plan accordingly, or appointed an certified public accountant (CPA) to perform the audit?	V		<p>(4) A. Under the Integrity Management Guidelines, the Company closely links with other related internal control regulations to facilitate the compliance of internal control and operational procedures by all departments to avoid unethical conduct of personnel, such as the Professional Code of Ethics, Rules and Procedures of Board Meetings, Audit Committee Charter and External Donation Practice Guidelines, etc. The Internal Auditing Department has included “implementation of integrity management” and “risk assessment of unethical conduct” in the audit of the Company’s business, and no significant deficiencies were found in the audit results.</p> <p>B. The Company’s accounting system was established in accordance with the International Financial Reporting Standards (IFRSs) and <i>Regulations Governing the Preparation of Financial Reports by Financial Holding Companies</i>. Unless otherwise provided in laws and regulations, the Company’s related accounting affairs are all processed in accordance with the Company’s accounting system. The quarterly financial statements are audited (reviewed) by PricewaterhouseCooper Certified Public Accountants and submitted to the Audit Committee and the Board of Directors, and are subject to internal audits, external audits</p>	

<p>(5) Has the Company organized internal/external education training program for integrity management periodically?</p>	<p>V</p>	<p>by the Financial Examination Bureau of the FSC, and the CPAs to ensure that the Company's accounting system is designed and implemented in an effective manner.</p> <p>(5)A. In order to enable all employees and managers of the Yuanta Group to have proper knowledge and judgment of relevant laws and regulations as well as ethical conduct, the Company organizes “Integrity Management and Legal Compliance” education courses on a regular basis every year. The course content includes customer and financial consumer data protection, stakeholder transactions, regulation of insider trading practices, merger and acquisition information disclosure, ethics of integrity and legal responsibility for financial practitioners, legal compliance resources, whistleblowing system, and other issues related to integrity management. All employees and managers are required to attend courses and pass tests to continuously educate themselves to possess proper knowledge and judgment of relevant laws and regulations and ethical practices to ensure the implementation of integrity management policies.</p> <p>B. A total of 11,550 participants passed the test for the Yuanta Group’s 2023 “Integrity Management and Legal Compliance” course, with a total of 10,870 training hours.</p> <p>C. In addition to providing all directors of the Company with information on Integrity Management and Legal Compliance Advocacy, in 2023, a total of two seminars on corporate governance related to integrity management was held for the Group’s</p>	
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			<p>directors and supervisors. The seminar topics and training hours were as follows: On March 16, 2023, 50 directors and supervisors participated in “Money Laundering Prevention and Countering Financing of Terrorism and Directors’ Legal Obligations and Responsibilities Promotion,” totaling 150 hours. On May 18, 2023, 59 directors and supervisors participated in “<i>Financial Consumer Protection Act</i> and Fair Treatment of Customers” for a total of 177 hours.</p>	
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<p>3. Operation of the Company whistleblowing system</p> <p>(1) Does the Company have a specific reporting and reward system, and has it established a channel to facilitate reporting and assigned appropriate staff to receive reports on the subject?</p> <p>(2) Does the Company have standard operating procedures for investigation of whistleblowing matters, follow-up measures to be taken after the completion of the investigation, and the related confidentiality mechanism?</p>	V		<p>(1) The Company's Board of Directors has approved the "Whistleblowing System and Implementation Measures" and has set up a telephone hotline and an email address to facilitate the reporting process, and has designated an independent unit with the authority to receive and investigate whistleblowing cases. If an employee's report is found to be substantiated, the employee may be rewarded in accordance with the provisions of the Company's employee reward and punishment management guidelines.</p> <p>(2) The Company's "Whistleblowing System and Implementation Measures" have defined the process of investigating and cooperating with the investigation of whistleblowing cases and the standard operating procedures for follow-up handling. The officer handling the report case should make a written statement to keep the identity of the informant and the contents of the report confidential.</p> <p>The Internal Auditing Department has included the "operation of the whistleblowing system" in the audit of the Company's business, and the audit results have been implemented in accordance with the regulations.</p>	There was no discrepancy in this matter.

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(3) Does the Company take measures to protect whistleblowers from improper treatment as a result of whistleblowing?	V		(3) In accordance with the “Whistleblowing System and Implementation Measures,” the Company shall take protective measures for whistleblowers, including: keeping the identity of the whistleblower confidential; not disclosing information that identifies the whistleblower; not firing, dismissing from the position, demoting, reducing the salary of the whistleblower, prejudicing the rights and interests of the whistleblower under the law, contract or custom, or taking other adverse actions against the whistleblower as a result of the case reported.	
4. Enhancing information disclosure Does the Company disclose the content and results of promotion of its Integrity Management Guidelines on its website and on the Market Observation Post System (MOPS)?	V		The Company’s Integrity Management Guidelines, Guidelines for Conduct, the operation of integrity management, and the results of promotion are immediately updated and disclosed in the Sustainability section of the Company’s official website, and the related results of promotion are also stated in the Annual Report and the ESG Report. In addition, the aforementioned two regulations are disclosed in the MOPS.	There was no discrepancy in this matter.
If the Company has its own integrity management guidelines in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> , please describe the discrepancies between its operation and the guidelines: None.				
Other important information that helps to understand the Company’s integrity management operations: (e.g., the Company reviews and amends its Integrity Management Guidelines, etc.)				
The Company specifies that when the purchase amount reaches NT\$20,000 or more, the purchasing unit should check the website of Taiwan’s Judicial Yuan for any public unethical conduct such as bribery or illegal political contributions. The results of the check are entered in the “Supplier Management Checklist” as an assessment of the integrity of the supplier, and when signing the procurement contract, the supplier is required to include the terms and				

conditions of integrity management and sustainable procurement.

Note 1: The Integrity Management Office is responsible for the promotion and coordination of integrity management related matters, with six (6) members, who are department heads of relevant units, and is organized as follows:

