

## **Operations of the Ethical Corporate Management Committee**

### 1、Responsibility and Qualifications of Members

The Ethical Corporate Management Committee consists of Independent Directors with three (3) to nine (9) members, of which the Independent Directors of SinoPac Holdings are ex officio members, and the remaining members include Independent Directors of Bank SinoPac and SinoPac Securities. At present, the Ethical Corporate Management Committee consists of eight (8) Independent Directors of SinoPac Holdings, Bank SinoPac, and SinoPac Securities. The Ethical Corporate Management Committee shall convene at least once every six months. It is responsible to review the ethical corporate management policies and prevention programs and supervise the performance of the managerial departments. The Ethical Corporate Management Committee is mainly engaged in the following tasks and reports its compliance and resolutions to the Board of Directors on a regular basis.

- (1) Assist in incorporating good faith and ethical values into the business strategy to review related precautionary measures for ethical corporate management and supervise the check-and-balance mechanisms in line with the laws and regulations.
- (2) Review prevention programs for unethical conduct; as well as related standard operating procedures and codes of conducts for tasks in each program.

- (3) Supervise the managerial departments to plan internal organization, structure, and job functions; set up mutual supervision and check-and-balance mechanisms for business activities with high risk of unethical conduct within the scope of business.
- (4) Supervise the promotion and communication of awareness training with respect to ethics policies.
- (5) Establish a whistle-blowing system and supervise the effectiveness of its implementation.
- (6) Assist the Board of Directors to supervise the managerial departments in reviewing and assessing whether the preventive measures taken for the purpose of implementing ethical corporate management are carried out effectively and prepare regular assessment reports on the compliance of related operating procedures with ethical corporate management.

## 2、Term of Office

Members of the Ethical Corporate Management Committee shall have the same term as that of the Board of Directors of SinoPac Holdings. If the Independent Directors of SinoPac Holdings or subsidiaries have their term of office expire without renewal, resign, or be dismissed, their qualifications for the members of the Ethical Corporate Management Committee will automatically become void.

### 3、2019 Work Plans and Results

(1) Reviewing preventive and supervisory measures for ethical corporate management

SinoPac Holdings established the whistle-blowing system and reviewed the formulation and revision of the "Regulations Governing the Handling of Reporting Cases."

(2) Supervising the effectiveness of the whistle-blowing system

A. Reviewing the "regular reports on the handling of whistle-blowing cases": The regular reports on the handling of whistle-blowing cases received by SinoPac Holdings and its subsidiaries over the past six months were submitted to the Ethical Corporate Management Committee.

B. Reviewing the "unfavorable disciplinary actions against whistle-blowers": The unfavorable disciplinary actions against whistle-blowers were reviewed in accordance with the "Regulations Governing the Handling of Reporting Cases."

(3) Supervising the implementation of the ethical corporate management policy advocacy and training

A. Signing the statement of compliance with the ethical management policy

According to Paragraph 1, Article 8 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" that "TWSE/GTSM listed companies shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy," SinoPac Holdings and its subsidiaries request responsible

persons to sign the statement of compliance with the ethical management policy:

(A) December 2019: All directors of SinoPac Holdings signed the statement.

(B) December 2019: All directors and supervisors of other subsidiaries were being requested to sign the statement.

(C) January 2020: All responsible persons (including senior management) were being requested to sign the statement again on the intranet.

B. Supervising the implementation of the whistle-blowing system and ethical corporate management advocacy and Training

Advocacy and training activities organized in 2019 are as follows:

(A) In February 2019, the "Guidelines for Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct" were provided for the directors and supervisors of SinoPac Holdings and its subsidiaries for reference and compliance.

(B) During April and May 2019, on-the-job training for compliance officers of SinoPac Holdings and its subsidiaries (including Bank SinoPac, SinoPac Securities, SinoPac Securities Investment Service, SinoPac Futures, SinoPac Securities Investment Trust, SinoPac Leasing, SinoPac Life Insurance Agent, SinoPac Property Insurance Agent, and SinoPac Venture Capital) was organized, where external instructors lectured on the key points of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Procedures for Ethical Management and Guidelines for Conduct." Participants were also requested to publicize the takeaways in their departments.

- (C) During November and December 2019, online training on the "Guidelines for Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct" was organized for all employees of SinoPac Holdings and its subsidiaries (including Bank SinoPac, Bank SinoPac (China), SinoPac Insurance Brokers, SinoPac Securities, SinoPac Securities (Asia), SinoPac Solutions and Services, SinoPac Asset Management (Asia), SinoPac Futures, SinoPac Securities Investment Service, SinoPac Leasing, SinoPac Leasing (Tianjin), SinoPac International Leasing, and SinoPac Venture Capital).
- C. Supervising the disclosure of ethical corporate management on the official website and in the annual report
- (A) The "Corporate Governance Guidelines" and "Regulations Governing the Handling of Reporting Cases" were disclosed or updated on the official website under section "Corporate Governance" (Applicable Laws and Regulations).
  - (B) The responsibilities and qualifications for members and the operations of the Ethical Corporate Management Committee were disclosed in the 2018 Annual Report.

#### 4、Operations of the Ethical Corporate Management Committee

(1) The 1st-term Ethical Corporate Management Committee consisted of eight (8) members. In 2019 the Ethical Corporate Management Committee held 2 meetings. The attendance of the members is as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Number of Expected Attendance (A)	Actual Attendance Rate (%) (B/A)	Note
Convener	SCHIVE Chi	2	-	2	100%	
Member	James J. SHEU	2	-	2	100%	
Member	TSAI Ying-Yi	2	-	2	100%	
Member	LIN Yu-Fen	1	-	2	50%	
Member	CHU Chao-Hsiang	1	-	1	100%	Assumed office as Independent Director of Bank SinoPac on July 1, 2019.
Member	SU Chih-Cheng	1	-	1	100%	
Member	HE Zi-Wen	2	-	2	100%	
Member	LU Tsung-Hsun	2	-	2	100%	

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Number of Expected Attendance (A)	Actual Attendance Rate (%) (B/A)	Note
Member	CHOU Shan-Ying	1	-	1	100%	Independent Directors of Bank SinoPac, CHOU Shan-Ying and WU Chia-Yuan, did not renew the term of office upon expiration, and they were also dismissed from the Ethical Corporate Management Committee at the same time. Independent Directors, CHU Chao-Hsiang and SU Chih-Cheng succeeded them as the members.
Member	WU Chia-Yuan	1	-	1	100%	

(2) Resolution of the Ethical Corporate Management

Date	Term	Agenda	Resolution of the Ethical Corporate Management
2019.5.3	First-term Ethical Corporate Management Committee First meeting in 2019	Report on the minutes of the second meeting of the first-term Ethical Corporate Management Committee in 2018	The minutes were reported to the Board of Directors for future reference on November 23, 2018; the remainder was acknowledged.
		Regular report on the handling of reported cases by SinoPac Holdings	Handled based on opinions given by the members; the remainder was acknowledged.
		Amendment to the "Regulations Governing the Handling of Reporting Cases" of SinoPac Holdings	Adopted as proposed by the attending members unanimously and subsequently submitted to the Board of Directors for approval.
2019.9.4	First-term Ethical Corporate Management Committee Second meeting in 2019	Changes in members of the first-term Ethical Corporate Management Committee	In the eighth meeting on August 23, 2019, the Board of Directors resolved to approve the appointment of the Independent Directors of Bank SinoPac, CHU Chao-Hsiang and SU



Date	Term	Agenda	Resolution of the Ethical Corporate Management
			Chih-Cheng, as the members of the first-term Ethical Corporate Management Committee; the remainder was acknowledged.
		Report on the minutes of the first meeting of the first-term Ethical Corporate Management Committee in 2019	The minutes were reported to the Board of Directors for future reference on May 24, 2019; the remainder was acknowledged.
		Handling of employees subject to unfavorable disciplinary actions due to whistle-blowing	Handled based on opinions given by the members; the remainder was acknowledged.