

Fulfillment of Operations of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies and Reasons

Item	Status of Operation			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary Explanation	
<p>1、Establishing Ethical Corporate Management Policies and Programs</p> <p>(1) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and senior management to rigorous and thorough implementation of such policies?</p>	√		<p>(1) SinoPac Holding has established the "Guidelines for Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct," which have been implemented upon approval of the Board of Directors through resolutions. The aforesaid regulations have specified the ethical corporate management policies and practices and stipulated that the directors, supervisors, managers, employees, and mandataries of SinoPac Holdings and persons having substantial control shall not engage in unethical conduct and shall commit themselves to the rigorous and thorough implementation of the ethical corporate management policies both in internal management and external business activities. The aforesaid regulations have been disclosed on the official website of SinoPac Holding.</p>	No significant divergence
<p>(2) Has the company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business</p>	√		<p>(2) a.The "Procedures for Ethical Management and Guidelines for Conduct" specify the prevention programs and measures against accepting improper benefits, political contributions, donations or sponsorship, infringement on</p>	No significant divergence

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scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?			<p>intellectual property rights, conflict of interests, disclosure of confidential information, and insider trading.</p> <p>b.SinoPac Holdings has incorporated the regulations of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" into its compliance self-assessments, including provision against unethical conduct, type of benefits, scope of prevention programs, provision against offering and acceptance of bribes, improper charitable donations or sponsorship, unreasonable presents or hospitality, or other improper benefits, infringement on intellectual property rights, and adoption of a whistle-blowing system and a disciplinary and appeal system. In the compliance self-assessment held every half a year, SinoPac Holdings analyzes and assesses on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and revises the "Procedures for Ethical Management and Guidelines for Conduct" and related regulations whenever necessary in hopes of</p>	

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(3) Has the company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	√		<p>preventing unethical conduct when engaging in commercial activities or conducting business.</p> <p>c.SinoPac Holdings and its subsidiaries have requested all employees to sign the statement of ethical corporate management policy to take preventive measures against unethical conduct in accordance with Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."</p>	No significant divergence

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2、Implementing Ethical Corporate				
(1) Has the company evaluated the records of unethical conduct of counterparties and specified the terms of ethical conduct in the agreement signed with the counterparties?	√		<p>(1) SinoPac Holdings has established the "Supplier Corporate Social Responsibility Code of Conduct," which stipulates that suppliers shall establish a corporate culture of ethical management, comply with the "Guidelines for Ethical Corporate Management" of SinoPac Holdings, and evaluate the ethical corporate management of counterparties before establishing business relationships with them. SinoPac Holdings has also requested regular, major suppliers to sign the "Supplier Commitment to Corporate Social Responsibility."</p> <p>The agreement entered into between SinoPac Holdings and its suppliers has specified that suppliers shall not, directly or indirectly, request or agree to the payment of commissions, rebates or any benefits per request, or SinoPac Holdings may terminate or rescind the agreement.</p>	No significant divergence
(2) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate	√		(2) SinoPac Holdings has set up the Ethical Corporate Management Committee under the Board of Directors to review the ethical	No significant divergence

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<p>management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(3) Has the company established the policies to prevent conflicts of interest, provided proper channels of explanation, and implemented them?</p>	√		<p>corporate management policies and prevention programs and supervise the performance of the management. The Ethical Corporate Management Committee shall meet at least once every six months and may meet at any time whenever necessary. The minutes of the meeting shall be submitted to the Board of Directors.</p> <p>(3) Both the "Guidelines for Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct" specify the handling procedures for the following circumstances: When a proposal at a given Board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders present or present without voting rights; or where the employees of SinoPac Holdings are involved in conflicts of interest or cause themselves or their spouse, parents, children or other stakeholders to obtain improper benefits in the performance of their duties. The appropriate means are also provided for the aforesaid personnel to report</p>	No significant divergence

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(4) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	√		any conflicts of interests to the immediate supervisors and the personnel department of SinoPac Holdings, and the immediate supervisors shall provide appropriate guidance. (4) SinoPac Holdings has established the accounting system that complies with related laws and regulations as the guidelines for accounting transactions. SinoPac Holdings has also established the internal control system and reviewed it at any time to ensure its design and continual effect. In addition, the internal audit unit has audited the compliance of the accounting system and internal control system and prevention programs against unethical conduct.	No significant divergence
(5) Has the company regularly held internal/ external training on ethical corporate management?	√		(5) a. In 2019, SinoPac Holdings publicized the "Guidelines for Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct" to all employees and requested them to read these regulations thoroughly, so as to	No significant divergence

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			<p>prevent unethical conduct when performing their duties.</p> <p>b.To deepen and strengthen training on ethical corporate management, SinoPac Holdings and its subsidiaries also arranged the dedicated personnel or supervisors, regularly or from time to time, to explain the professional ethics, principle of good faith, whistle-blowing system, and related internal and external regulations to new or existing employees.</p> <ul style="list-style-type: none"> ● In February 2019, the "Guidelines for Ethical Corporate Management" were provided for the directors and supervisors of SinoPac Holdings and its subsidiaries for reference and compliance. ● 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, 	

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			<p>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.</p> <ul style="list-style-type: none"> ● 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 	

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			<p>Management (Asia), SinoPac Futures, SinoPac Securities Investment Service, SinoPac Leasing, SinoPac Leasing (Tianjin), SinoPac International Leasing, and SinoPac Venture Capital). The number of participants reached 8,826.</p> <p>c.SinoPac Holdings invited regular, major suppliers to participate in the annual supplier conference held on December 10, 2019, where suppliers received training on ethical corporate management and signed the "Supplier Commitment to Corporate Social Responsibility."</p>	
<p>3、Implementing the Whistle-blowing System</p> <p>(1) Has the company established a concrete whistle-blowing and incentive system, established convenient whistle-blowing channels, and appointed dedicated personnel to deal with the reported personnel?</p>	√		<p>(1) SinoPac Holdings has established the whistle-blowing and incentive system in the "Regulations Governing the Handling of Reporting Cases", disclosed the whistle-blowing system and channels on the official website, and appointed the Legal & Compliance Division to accept reported misconduct and the Audit Division to investigate. Other units or</p>	No significant divergence

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(2) Has the company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	√		<p>personnel may participate in the investigation, as the case may be.</p> <p>(2) SinoPac Holdings has specified the procedures for establishing, accepting, and investigating reported misconduct, follow-up measures after the investigation of reported misconduct, and standard operating procedures for protecting whistle-blowers and related confidentiality mechanisms in the "Regulations Governing the Handling of Reporting Cases.</p>	No significant divergence
(3) Has the company taken measures to protect the whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?	√		<p>(3) SinoPac Holdings has specified the whistle-blower protection system in the "Regulations Governing the Handling of Reporting Cases", which protect whistle-blowers from layoff, dismissal, degradation, pay cut, damage to their statutory, contractual, or customary rights, or other unfavorable disciplinary actions due to whistle-blowing. If whistle-blowers are subject to unfavorable disciplinary actions due to whistle-blowing, they may lodge a complaint with the Human Resources Division, which shall report to the oncoming meeting of</p>	No significant divergence

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			the Ethical Corporate Management Committee.	
4、Enhancing Disclosure of Information Has the company disclosed the "Guidelines for Ethical Corporate Management" and its status of operations on the official website and Market Observation Post System?	√		SinoPac Holdings has disclosed the "Guidelines for Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct" and the status of operations of ethical corporate management on the official website.	No significant divergence
5、Difference between the "Guidelines for Ethical Corporate Management" and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" There was no material difference.				
6、Other Important Information (e.g. Amendment to the "Guidelines for Ethical Corporate Management") Please refer to the official website.				