

SinoPac Financial Holdings Company Limited

Minutes of 2018 Annual General Shareholders' Meeting

(Summary Translation)

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.)

Time/Date: 9AM, June 15th, 2018 (Friday)(Taipei time)

Venue: 13F, No. 36, Sec. 3, Nanjing E. Road, Taipei, Taiwan

Attendance: The total amount of common shares outstanding is 11,050,053,045. Common shares represented by shareholders present in person and by proxy (including 3,218,881,102 shares represented by shareholders exercising voting rights electronically) are 7,160,483,010 shares, accounting for 64.8% of the total common shares outstanding. The total amount of preferred shares outstanding is 10,000,000. Preferred shares represented by shareholders present in person and by proxy are 10,000,000 shares, accounting for 100% of the total preferred shares outstanding.

Attendance list of the Board of Directors:

Director : Stanley CHU , CHIU Cheng-Hsiung , CHEN Chia-Hsien

Independent Director : James J. SHEU , SCHIVE Chi

Observers: Yesin CHEN(Attorney-at-Law),HUANG, Cheng Chieh(Attorney-at-Law)
WU, Yi-Chun(CPA)

Chairman: ONG Wen-Chyi, Chairman of the Board of Directors

Recorder: Jenny HUANG

- 1. Chairman called the meeting to order:** The Chairman announced that a quorum under the Company Act is present (including the shares represented by the shareholders present in person and by proxy together with the shares represented by the shareholders exercising voting rights electronically) and called the meeting to order.

2. Chairperson's Statements (omitted).

Summary of Shareholder's Speech:

The chairman responds the shareholder number 584744's speech about employee turnover, salary adjustment, performance bonus deferral, and manager performance appraisal.

3. Reporting Items

Proposal 1: Business Reports for year 2017

Explanation: The 2017 Business Report is attached hereto as Attachment 1.

The President provides further information on the business operation of the Company and its primary subsidiaries.

Summary of Shareholder's Speech:

- (1) The chairman and the designated person respond the shareholder number 1021428's speech about the suspension of the president of the securities subsidiary and the arrangement of the management group.
- (2) The chairman and the designated person respond the shareholder number 1021427's speech about the managers' business performance and their remuneration.
- (3) The chairman responds the shareholder number 987072's speech about the goals and the strategies of the company.
- (4) The chairman responds the shareholder number 809290's speech about the qualification and leadership of the chairman of the board of the holding company, and the background of the chairman of the board and that of the president of the bank.
- (5) The chairman responds the shareholder number 285429's speech about the leadership of the chairman of the board and the employment policy.

Proposal 2: Audit Committee's Review Report on Financial Statements for year 2017

Explanation: The 2017 Audit Committee's Review Report on Financial Statements is attached hereto as Attachment 2.

On behalf of the Audit Committee, Independent Director James J. SHEU read out the Committee's Review Report (to everyone in the shareholders' meeting).

Proposal 3: Distribution of compensation for employees and directors for year 2017

Explanation:

- A. Based on Paragraph 2 of Article 36 of the Articles of Incorporation, distribution of compensation for employees and directors shall be determined by a resolution adopted by a majority vote at a board of directors meeting attended by two-thirds or more of the directors and be reported at a shareholders' meeting.
- B. Based on Paragraph 1 of Article 36 of the Articles of Incorporation, for a profitable year, the Company shall set aside 0.01 % for employees' compensation and 1% for directors' compensation. For the soundness of the Company's continuing operation, the Company's accumulated losses shall first be covered before distributing the compensation. And according to Paragraph 3 of Article 36, the Company shall deduct and set aside an amount equal to the cumulative losses (if any) from its profit before taxes before calculating employees' and directors' compensation.

Distribution of compensation for employees and directors for year 2017:

- a. The Company set aside NTD1,000,000 for compensation for employees, 0.011% of the profits following aforementioned calculation, and were distributed in cash.
 - b. The Company set aside NTD26,267,125 for compensation for directors, 0.295% of the profits following aforementioned calculation.
- C. This proposal was approved at the 1st and 2nd meeting of the 3rd Term Compensation Committee and the 1st and 3rd meeting of the 6th Term Board of Directors in 2018.

Proposal 4: Amendment to the Company's Rules of Procedure for Board of Directors Meetings

Explanation:

- A. The revision is proposed in accordance with the amended Regulations Governing Procedure for Board of Directors Meetings of Public Companies announced by the Financial Supervisory Commission on July 28, 2017. This proposal was approved at the 8th meeting of the 6th Term Board of Directors in 2017.
- B. Highlights of the revision proposed:
 - a. Adding matters required to be raised for discussion at a board meeting. And adding a provision to enhance the in-person participation of at least one independent director in the operation of the board of directors. (Article 12).
 - b. Wording adjustments made in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. (Article 16)
- C. The Company's Rules of Procedure for Board of Directors Meetings with comparison table for content of amended provisions is attached hereto as

Attachment 3.

Proposal 5: Establishment of the Company's Guidelines for Codes of Ethical Conduct

Explanation:

- A. In order to encourage directors, supervisors, and managerial officers to act in line with ethical standards and achieve purposes of sustainable development, the Company proposed its Guidelines for Codes of Ethical Conduct, which is promulgated in accordance with the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies and recommendation of PwC Taiwan for the Company's Corporate Governance Examination project. This proposal was approved at the 1st meeting of the 6th Term Board of Directors in 2018.
- B. Highlights of the provision of the Guidelines: "Prevention of conflicts of interest", "Minimizing incentives to pursue personal gain", "Confidentiality", "Fair trade", "Safeguarding and proper use of company assets", "Legal compliance", "Encouraging reporting on illegal or unethical activities", "Disciplinary measures", "Procedures for exemption" and "Method of disclosure".
- C. The Company's Guidelines for Codes of Ethical Conduct is attached hereto as Attachment 4.

Summary of Shareholder's Speech:

- (1) The chairman responds the shareholder number 530471's speech about the management capability.
- (2) The chairman responds the shareholder number 809290's speech about changing the internal company culture.
- (3) The chairman responds the shareholder number 304056's speech regarding how to implement Code of Ethical Conduct, Code of Integrity, and Corporate Social Responsibility and regarding the delivery format of meeting notice.

Proposal 6: Establishment of the Company's Guidelines for Ethical Corporate Management

Explanation:

- A. In order to foster a corporate culture of ethical management and achieve purposes of sustainable development, the Company proposed its Guidelines for Ethical Corporate Management, which is promulgated in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and recommendation of PwC Taiwan for the Company's Corporate

Governance Examination project. This proposal was approved at the 1st meeting and revised at the 3rd meeting of the 6th Term Board of Directors in 2018.

- B. Highlights of the provision of the Guidelines: “Types of prohibited unethical conduct and relevant parties”, “Types of benefits”, “Guidelines of laws or regulations”, “Establishment of ethical operation management policies”, “Establishment of prevention programs”, “Execution of ethical corporate management”, “Information disclosures of implementing ethical corporate management”, “Establishment of mechanism to review and amendment”, and “Enforcement”.
- C. The Company’s Guidelines for Ethical Corporate Management is attached hereto as Attachment 5.

Proposal 7: Establishment of the Company’s Guidelines for Corporate Social Responsibility

Explanation:

- A. In order to fulfill corporate social responsibility and achieve purposes of sustainable development, the Company proposed its Guidelines Corporate Social Responsibility, which is promulgated in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and recommendation of PwC Taiwan for the Company’s Corporate Governance Examination project. This proposal was approved at the 1st meeting of the 6th Term Board of Directors in 2018.
- B. Highlights of the provision of the Guidelines: “Exercise corporate governance”, “Foster a sustainable environment”, “Preserve public welfare”, and “Enhance disclosure of corporate social responsibility information”.
- C. The Company’s Guidelines for Corporate Social Responsibility is attached hereto as Attachment 6.

4. Ratification Items

Proposal 1: Business Reports and Financial Statements for year 2017

Explanation:

- A. The 2017 Financial Statements of the Company, including consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows, were audited by Wu, Yi-Chun CPA and Huang, Shu-Chieh CPA, both of Deloitte & Touche, Taiwan who issued an unqualified opinion report.
- B. The aforementioned Business Reports and Financial Statements were approved at the 3rd meeting of the 6th Term Board of Directors in 2018 and examined by the

Audit Committee.

C. The 2017 Business Reports and Financial Statements are attached hereto as Attachment 1.

Summary of Shareholder's Speech:

The accountant on behalf of the chairman responds the shareholder number 304056 requests that in addition to reading minutes of the meeting, the Business Report and the Financial Statements set forth in appendix 1 should be illustrated.

The Chairperson appointed shareholder Chuan Ti Hsin(shareholder account number: 69241) and shareholder LIN Sheng-Yung (shareholder account number: 527580) as the monitoring personnel for discussion and Ratification , and appointed personnel from the Register and Transfer Agency Division at SinoPac Securities as the counting personnel.

Resolutions :

The voting result reveals that 6,357,516,222 votes were cast in favor of the proposal (including 2,443,732,235 votes cast electronically), accounting for 88.79% of the total attending voting shares, whereas 2,984,378 votes were cast opposing the proposal (including 2,984,378 votes cast electronically), accounting for 0.04% of the total attending voting shares . There was no spoilt vote, accounting for 0.00% of the total attending voting shares . 799,982,410 votes were abstained or refrained (including 772,164,489 votes cast electronically), accounting for 11.17% of the total attending voting shares . Given the votes in favor of the proposal are beyond the quorum required, the proposal was approved as proposed.

Proposal 2: Proposal for distribution of 2017 earnings

Explanation:

- A. The beginning retained earnings of the year 2017 was NTD9,337,775, after deducting NTD145,765,778 on the 2017 remeasurement of defined benefit plans, adding 2017 after-tax profit of NTD9,085,309,096 and setting aside legal reserve of NTD894,888,109, special reserve of NTD19,910,633, the distributable retained earnings was NTD8,034,082,351.
- B. Based on the Articles of Incorporation, proposal for distribution of 2017 earnings is as follows,
- a. Cash dividends of Common Stock: NTD5,525,026,523 (NTD0.5 per share)
The amount of cash dividends per share shall be calculated and truncated to NTD1. The fractional amounts of dividends less than NTD1 are summed to be recognized as other income of the Company.
 - b. Stock dividends of Common Stock: NTD2,210,010,610 (NTD0.2 per share)

- c. Unappropriated retained earnings: NTD299,045,218
- C. In accordance with Article 66-9 of the Income Tax Act, the after-tax profit and other comprehensive income of 2017 shall be applied first for the purpose of the distribution of earnings.
- D. In the event the number of outstanding shares to be affected by, buyback of shares, conversion of preferred stocks to common stocks, disposal of shares by shareholders, etc., it is proposed that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share.
- E. The Company issued Class A preferred shares on May 15, 2009, based on the Articles of Incorporation, dividends of class A preferred shares A NTD1,061,622 was recognized as interest expense of 2017.
- F. This proposal was approved at the 3rd meeting of the 6th Term Board of Directors in 2018 and reviewed by the Audit Committee.
- G. The Distribution of 2017 earnings is attached hereto as Attachment 7.

Resolutions :

The voting result reveals that 6,394,315,987 votes were cast in favor of the proposal (including 2,480,532,000 votes cast electronically), accounting for 89.30% of the total attending voting shares , whereas 2,964,254 votes were cast opposing the proposal (including 2,964,254 votes cast electronically), accounting for 0.04% of the total attending voting shares . There was no spoilt vote, accounting for 0.00% of the total attending voting shares . 763,202,769 votes were abstained or refrained (including 735,384,848 votes cast electronically), accounting for 10.66% of the total attending voting shares . Given the votes in favor of the proposal are beyond the quorum required, the proposal was approved as proposed.

5. Discussion Item

Proposal 1: Appropriation of 2017 undistributed earnings as capital through issuance of new shares

Explanation:

- A. The company's current paid-in capital is NTD110,600,530,450 with 11,060, 053,045 shares in issuance (11,050,053,045 common shares and 10,000,000 preferred shares). It is proposed that 221,001,061 new shares be issued on the amount of NTD2,210,010,610 from distributable profit of 2017. Paid-in capital after new shares issuance will be NTD112,810,541,060.
 - a. Source of fund for the proposed increase of capital: Distribution profit of NTD2,210,010,610 for year 2017. 221,001,061 new shares are to be issued with a par value of NTD10 per share.

- b. Purpose of the proposed increase of capital: The increased capital will be used to enhance scale of capital and strengthen financial structure.
 - c. Condition of the proposed increase of capital:
 - a) The right and obligation of the new shares to be issued will be the same as the existing common shares.
 - b) The new shares will be distributed to the eligible shareholders as registered in the shareholders roster at the rate of 20 shares per 1,000 shares. The shareholders may combine their fractional shares to become one share, or the shareholders may be paid in cash for their fractional shares. The fractional shares will be accumulated and the Chairman is authorized to sell the fractional shares to identified individuals.
 - c) It is proposed that the Board of Directors be authorized to carry out appropriate actions in connection with the change of outstanding shares and stock dividend distribution rate, from buy back of the Company's outstanding shares or any other reasons.
- B. Subject to regulatory approval, it is proposed the Board of Directors be authorized to decide the distributing date of the new shares or matters requested by regulators.

Resolutions :

The voting result reveals that 6,394,341,214 votes were cast in favor of the proposal (including 2,480,557,227 votes cast electronically), accounting for 89.30% of the total attending voting shares , whereas 3,383,069 votes were cast opposing the proposal (including 3,383,069 votes cast electronically), accounting for 0.05% of the total attending voting shares . There was no spoilt vote, accounting for 0.00% of the total attending voting shares . 762,758,727 votes were abstained or refrained (including 734,940,806 votes cast electronically), accounting for 10.65% of the total attending voting shares . Given the votes in favor of the proposal are beyond the quorum required, the proposal was approved as proposed.

6. Questions and Motions :

Summary of Shareholder's Speech:

- (1) The chairman responds the shareholder number 530471's remarks regarding competency of the executives.
- (2) The chairman responds the shareholder number 304056's remarks on the newly appointed head of legal and compliance division and the major shareholder influence.
- (3) The chairman responds the shareholder number 62114's remarks about the

employee promotion policy.

7. Adjournment : at 11 AM the same day.

(The Minutes only reflected the main contents of the meeting. Please refer to the recording for the exact contents and proceeding of the meeting.)

Chairman: ONG Wen-Chyi, Chairman of the Board of Directors

Minutes taken down by Jenny HUANG