

SinoPac Financial Holdings Company Limited
Guidelines for Ethical Corporate Management

Enacted Unit: Legal & Compliance Division

Approved Level: Board of Directors

Article 1 Purpose of adoption

Pursuant to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" jointly stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange, these Guidelines are adopted for the purpose of fostering a corporate culture of ethical management and sound development.

Article 2 Definition of terms

The term "Subsidiaries" as used in these Guidelines refers to companies in which more than 50 percent of the shares are directly or indirectly held by the Company or those over which the Company holds substantive control.

The term "Interested Parties" as used in these Guidelines refers to internal and external individuals or groups that generate influence on the Company and its subsidiaries or are subject to influence of the Company and its subsidiaries, including shareholders, investors, clients, employees, government and competent authorities, media, social communities, non-profit or non-governmental organizations, and suppliers.

Article 3 Prohibition of unethical conduct

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company and its subsidiaries or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits. Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties,

state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 4 Type of benefits

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 5 Compliance of laws or regulations

The Company and its subsidiaries shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 6 Policies

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 7 Prevention programs

The Company shall in its own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as "Prevention Programs"), including operational procedures, guidelines, and training.

The aforementioned prevention programs that have been established shall be in line with relevant laws and regulations of the territory where the Company and its subsidiaries are operating.

Article 8 Scope of prevention programs

The company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

It is advisable for the company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests of consumers in the course of research and development, advertisement, sale, performance of contracts, and provision of services and consultancy for products and services.

Article 9 Commitment and implementation

The Company and its subsidiaries 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.

The Company shall make disclosure of the ethical management policy on the Company's website or in its annual report. The Board of Directors and the senior management shall commit to the rigorous implementation of the ethical corporate management policies, and shall realistically carry out the policies in internal management and in external commercial activities.

The Company and its subsidiaries shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 10 Ethical management and commercial activities

The Company and its subsidiaries shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

The Company and its subsidiaries shall, before engaging in commercial activities with another party, give consideration to the legality and reputation of the business counterparty. It is advisable not to engage in transactions with parties having a record of engaging in unethical conducts, and to include the terms of ethical conduct into the contract signed with other parties.

Article 11 Prohibited of request or accepting improper benefits

When conducting business, the Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 12 Prohibited provision of illegal political donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its subsidiaries shall comply with the Political Donations Act and their own relevant internal operational procedures, and may not make such donations in exchange for commercial gains or business advantages.

Article 13 Prohibited improper charitable donations or sponsorship

When making or offering donations and sponsorship, the Company and its subsidiaries shall comply with relevant laws and regulations and internal operational procedures, and may not surreptitiously engage in bribery.

Article 14 Prohibited improper benefits

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 15 Prohibited infringement of intellectual property rights

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, their internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 16 Prohibited engagement in unfair competitive practices.

The Company and its subsidiaries shall engage in operations pursuant to competition-related laws and regulations.

Article 17 Prevention of products or services from damaging interested parties

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and their internal standards while exercising business, in order to avoid the damage to the rights and interests of clients and other interested parties,

Article 18 Organization and responsibilities

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors and avail itself of adequate resources and staff itself with competent personnel, responsible for supervising the implementation of the ethical corporate

management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis(at least once a year):

1. Assisting in incorporating ethics and moral values into the Company's business strategy and deliberating appropriate prevention measures and supervision/check-and-balance mechanism against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Supervising the managerial departments analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. Deliberating programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the deliberation task.
3. Supervising over the planning of the internal organization, structure, and allocation of responsibilities made by managerial departments and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Supervising over the promotion and coordination of awareness and educational activities with respect to ethical management policies.
5. Establishing a whistle-blowing system and supervising over the effectiveness of implementation thereof.
6. Assisting the Board of Directors in supervising management over auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 19 Compliance with laws and regulations

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 20 Prevention of conflicts of interest

The Company and its subsidiaries shall adopt standards for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other interested parties attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the companies, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company and its subsidiaries shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 21 Accounting and internal control

The Company and its subsidiaries shall establish effective accounting systems and internal control systems, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and implementation of the systems are showing results.

The internal audit unit of the company and its subsidiaries shall, based

on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans? including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 22 Operating procedures and conduct guidelines

The Companies shall establish operational procedures and conduct guidelines in accordance with Article 7 hereof to guide directors, supervisors, managers, employees, and substantial controllers of the Company and its subsidiaries on how to conduct business. The procedures and guidelines shall contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interest and how they shall be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Guidelines.
8. Disciplinary measures on offenders.

Article 23 Training and appraisal

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries,

and substantial controllers of the Company and its subsidiaries, and all business units in charge shall communicate to the companies' commercial transaction counterparties so they can fully understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company and its subsidiaries shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 24 Whistle-blowing system

The Company and its subsidiaries shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following matters:

1. An independent mailbox or hotline either established and publicly announced or provided by an independent external institution, to allow companies' insiders and outsiders to submit reports.
2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or manager shall be reported to the independent directors or senior supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation and preservation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

The company and its subsidiaries shall accept the case while

anonymous whistle blower offer the specific and clear content, with information or directions for verification, and the investigation is deemed necessary.

When a material misconduct or likelihood of material impairment to the Company and its subsidiaries comes to the awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.

Article 25 Disciplinary and grievance system

The Company and its subsidiaries shall adopt and publish a well-defined disciplinary and grievance system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 26 Information disclosure

The Company shall continuously promote ethical management policy, and disclose the measures taken for implementing ethical corporate management and the status of implementation on its Company website, and in annual reports and prospectuses, and shall disclose the Guidelines for Ethical Corporate Management on the Market Observation Post System.

Article 27 Review and amendment of ethical corporate management policies and measures

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 28 Enforcement

These Guidelines, and any amendments thereto, shall enter into force through announcement after they have been adopted by the Board of

Directors, and submitted to a shareholders' meeting.

When these Guidelines for Ethical Corporate Management are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board meeting in person to express objection or reservations shall provide a written opinion before the Board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

The first meeting of the sixth term of the board in 2018 adopted the rule on February 2, 2018.

The third meeting of the sixth term of the board in 2018 amended the rule on March 23, 2018.

The sixth meeting of the seventh term of the board in 2020 amended the rule on September 25, 2020.