

# SinoPac Holdings Co.,Ltd.

## Artificial Intelligence (AI) Applications Governance Policy

☐ Not in response to external regulations

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Issued by: Digital and Technology Division

### Chapter 1. General Provisions

#### Article 1. Purpose

To strengthen and appropriately govern the use of Artificial Intelligence (hereinafter referred to as "AI") by the Company and its subsidiaries, this Policy is formulated pursuant to the "Guidelines for Artificial Intelligence (AI) Applications in the Financial Industry" issued by the Financial Supervisory Commission.

#### Article 2. Scope of Application

The operational controls regarding the use of AI by the Company and its subsidiaries shall be governed by this Policy, unless otherwise prescribed by competent authorities.

For the purposes of this Policy, "subsidiaries" shall be defined in accordance with Article 4 of the Financial Holding Company Act. However, overseas subsidiaries may follow the applicable local laws and regulations of their respective jurisdictions.

### Chapter 2. Definitions

#### Article 3. Definitions of Terms

For purposes of this Policy, the following terms are defined as follows:

1. "Artificial Intelligence" (hereinafter "AI") refers to activities involving the application of AI technology, including Artificial Intelligence Systems and Generative Artificial Intelligence:
  - (a) Artificial Intelligence System (hereinafter "AI System"): A system that learns through large volumes of data and utilizes machine learning or related model-building algorithms to perform functions such as perception, prediction, decision-making, planning, reasoning, and communication — simulating human learning, thinking, and response patterns.
  - (b) Generative Artificial Intelligence (hereinafter "Generative AI"): AI systems capable of generating content that simulates human intelligence and creativity, including but not limited to text, images, audio, video, and code.

2. **Risk-Based Approach (RBA):** An approach applied throughout the AI System lifecycle — encompassing system planning and design, data collection and input, model building and validation, and system deployment and monitoring — to assess and identify the level of risk associated with AI applications and to implement appropriate controls to effectively mitigate such risks. Enhanced measures shall be adopted for higher-risk situations, while simplified measures may be applied to lower-risk situations, thereby enabling efficient allocation of resources and effective mitigation of identified AI application risks.

### Chapter 3. Guiding Principles

#### Article 4. Principles Governing the Use of AI by the Company and Its Subsidiaries

##### 1. **Establishing Governance and Accountability Mechanisms**

- (a) The Company and its subsidiaries shall designate a senior executive capable of overseeing inter-departmental businesses to take charge of the overall supervision and management of the use of AI systems, or may entrust the Group to take charge of the promotion and management of the use of AI systems. If the Company or its subsidiaries introduce an AI System on its own, it shall supervise the planning and design, data collection and input, and modeling and validation of the AI system throughout its life cycle, and ensure compliance with laws and regulations in the process of application.
- (b) The Company shall establish and integrate AI-related risk management mechanisms into existing risk management and internal control procedures or workflows, conduct periodic assessments and testing, and ensure that personnel possess sufficient knowledge and competence regarding AI to make appropriate, risk-based decisions and exercise proper oversight.

##### 2. **Emphasizing Ethics and Fairness**

- (a) The use of AI systems shall adhere to the principle of fairness, avoiding potential bias that may result in inequitable or discriminatory outcomes, and shall comply with the principles of fair treatment, human-centered, controlled by humans, and human autonomy. The reasonableness and accuracy of the decisions and outputs shall be reviewed and validated on a regular basis.
- (b) Appropriate risk controls, human oversight and intervention mechanisms shall be established for AI System decisions or outputs to ensure that humans retain adequate control and the ability to intervene. The development, deployment, or use of AI Systems that infringe upon

fundamental human rights is prohibited, including but not limited to: unauthorized collection of biometric data, manipulation or deception of individual decision-making, social scoring, and exploitation of vulnerabilities of disadvantaged groups.

**3. Protecting the Rights and Privacy of Clients or Consumers**

- (a) When using AI, the Company shall comply with applicable laws and regulations governing cybersecurity, personal data protection, intellectual property rights, and relevant financial regulations at each stage of the AI System lifecycle.
- (b) When using AI Systems to provide financial services to clients or consumers, the Company shall respect their right of choice and inform them whether alternative services are available, unless otherwise required by applicable laws or regulations.

**4. Ensuring System Robustness and Cybersecurity**

- (a) The Company shall ensure the robustness and security of AI Systems to prevent harmful content and harm to consumers or the financial system. Appropriate information security controls shall be implemented in accordance with a Risk-Based Approach and applicable regulations, and information security management mechanisms shall be continuously operated and improved.
- (b) During the system planning and design phase, the Company shall clearly define the purpose of the AI System, establish risk management mechanisms, conduct risk assessments, and plan for potential risk response mechanisms.
- (c) When using AI Systems developed or operated by third-party providers to deliver financial services, the Company shall conduct appropriate risk management and oversight of such third-party providers.

**5. Ensuring Transparency and Explainability**

When using AI Systems, the Company shall ensure the transparency and explainability of their operations and shall appropriately disclose relevant information.

**6. Advancing Sustainable Finance and Talent Development**

- (a) The Company's strategy and implementation direction for leveraging AI technology shall take reference from international sustainable development goals, with a view to promoting inclusive growth and the digital transformation of inclusive finance, while appropriately reducing environmental footprint through measures such as energy-efficient infrastructure and resource sharing.

(b)The Company shall monitor in a timely manner the impact of AI, its compliant use, and employee adaptation, and shall adjust employee education and training mechanisms in accordance with actual needs.

#### Chapter 4. Supplementary Provisions

##### Article 5. Promulgation and Amendment

This Policy shall take effect upon approval by the Board of Directors; the same shall apply in the event of any amendment hereto. In the event that external laws or regulations are newly enacted or amended, the Company shall comply with such new or amended external laws or regulations prior to the formal amendment of this Policy. Any matters not covered herein shall be governed by applicable laws and regulations, as well as the relevant policies and procedures of the Company and its subsidiaries.

Approved the Board of Directors on July 24<sup>th</sup>, 2026