

# **SinoPac Financial Holdings Company Limited**

## **Guidelines for Codes of Ethical Conduct**

### Article 1 Purpose of and basis for adoption

Pursuant to the "Guidelines for the Adoption of Codes of Ethical Conduct 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 encouraging directors, supervisors, and managerial officers of the Company and its subsidiaries to act in line with ethical standards, and to help interested parties of the Company and its subsidiaries better understand the Company's ethical standards.

### 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 "Managerial Officers" as used in these Guidelines refers to managers or personnel assuming the same level of job duties whose appointment and dismissal or promotion and demotion shall be approved by the Board of Directors of such companies in accordance with the Articles of Incorporation, the Authorization Chart as provided in the Rules for Hierarchical Delegation of Responsibilities, or relevant rules of the Company and its subsidiaries.

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 Prevention of conflicts of interest

A director and managerial officer of the Company and its subsidiaries shall perform their duties in an objective and efficient manner, and may not take advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship.

The Company and its subsidiaries shall pay special attention to loans of funds, major asset transactions, the purchase (or sale) of goods or provisions of guarantees involving the affiliated enterprise at which the aforementioned personnel work. The Company and its subsidiaries shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.

Article 4        Minimizing incentives to pursue personal gain

The Company and its subsidiaries shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities:

1. Seeking an opportunity to pursue personal gain or obtaining personal gain by using company property or information or taking advantage of their positions.
2. Competing with the company. Provided that, those who have been released from the non-competition restrictions as agreed by the shareholders' meeting or the Board of Directors pursuant to the laws are not subject such restriction. When the company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to maximize the reasonable and legitimate benefits that can be obtained by the Company.

Article 5        Confidentiality

The directors, supervisors, and managerial officers of the Company and its subsidiaries shall be bound by the obligation to maintain the confidentiality of matters, confidential information or client data learned from their performance of duty, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or clients. The aforementioned obligation of confidentiality shall not be extinguished due to the separation from service.

Article 6        Fair trade

Directors, supervisors, and managerial officers of the Company and its subsidiaries shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through

manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 7 Safeguarding and proper use of company assets

All directors, supervisors, and managerial officers of the Company and its subsidiaries have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes.

Article 8 Legal compliance

The Company and its subsidiaries shall strengthen their compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

Article 9 Encouraging reporting on illegal or unethical activities

The Company and its subsidiaries shall raise awareness of ethics internally and encourage employees to report to the company's unit receiving reports upon suspicion or discovery of any activity in violation of a law or regulation or the Codes of Ethical Conduct. In the event where a report involves a director or managerial officer, it shall be reported to an independent director or supervisor. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

Article 10 Disciplinary measures

When a director, supervisor, or managerial officer of the Company or its subsidiaries violates these Guidelines, the company shall handle the matter in accordance with the internal disciplinary measures, the Company Act and other relevant law; furthermore, before a decision of disciplinary act is made, the company will give the violator an opportunity to state his/her opinions or make an appeal.

When a director, supervisor, or managerial officer of the Company and its subsidiaries is involved in a violation of relevant law, the company shall hold such person responsible so as to protect the rights and interests of the company and shareholders.

Article 11      Procedures for exemption

Any exemption for directors, supervisors, or managerial officers from compliance with provisions in there Guidelines must be adopted by a resolution of the board of directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from these Guidelines, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 12      Method of disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 13      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.