

SinoPac Financial Holdings Company Limited

Minutes of 2024 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: Friday, June 7, 2024, at 9:00 a.m. (Taipei time)

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

Attendance: The total amount of common shares outstanding is 12,376,439,941.

Common shares represented by shareholders present in person and by proxy (including 6,782,176,007 shares represented by shareholders exercising voting rights electronically) are 11,138,708,371 shares, accounting for 89.99% of 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, Chi-hsing YEH, Wei-thyr TSAO

Independent Director : Wen-ling MA, Wei-ta PAN, Huey-jen SU

Observers: Wu, Yi-Chun (CPA), Cheng-chieh HUANG (Attorney-at-Law),
Ye-sin CHEN (Attorney-at-Law)

Chairperson: Shi-kuan CHEN, Chairperson of the Board of Directors

Recorder: Jenny HUANG

1. Chairman called the meeting to order: The Chairperson 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).

3. Reporting Items

Proposal 1

Proposed by the board of directors

Proposal: Business Report for year 2023

Explanation: The 2023 Business Report is attached hereto as Attachment 1.

1. President further explained the operational results of SinoPac Holdings and its subsidiaries.
2. Shareholder Account No.537175:
 - (1) The issues related to the allocation rate of performance bonuses and the lack of clear progress in the employee stock trust have not been fully communicated with the Bank SinoPac Union.
 - (2) Last year, both the post-tax profits of the financial holding company and the bank reached record highs. The disclosed compensation of senior executives in the annual report also reached a new high. The compensation of general employees should also be taken into consideration.
 - (3) Recently, there have been reports of incidents involving irrational customers bullying and harassing bank employees. How does the company handle such situations? Additionally, lawyer Ye-sin CHEN, who is present at the scene, has long been dedicated to the field of labor law. It is recommended to seek assistance from lawyer CHEN to help employees stand up against the bullying behavior of irrational customers, protect the employees, and strive for a win-win situation where both employees and customers respect each other.

Chairperson's response:

Employees are like family, and the company will always stand on the same side as its employees. We will never tolerate bullying or any such incidents.

Response from the Head of Human Resources Division:

- (1) We are continuously urging each subsidiary to carefully evaluate and promote the employee stock trust.
 - (2) Employee rights are consistently handled according to established principles.
 - (3) Building a friendly and safe workplace is the company's responsibility, and appropriate assistance will be provided to colleagues. Lawyer Ye-sin CHEN is the consulting lawyer for the Human Resources Division, and we will seek his advice when necessary.
3. Shareholder Account No.527657:
 - (1) I am the chairperson of the Union of Bank SinoPac, which shareholder account number is 820659, and the Union has recently received feedback from

members. According to the annual report, Bank SinoPac's post-tax profits grew by 10% compared to the previous year, dividends increased by 25%, and compensation for senior executives grew by nearly 28%. However, the average salary for non-managerial employees only grew by 3.9%. Additionally, only senior executives have access to the Bank SinoPac stock trust. Does the company's claim of taking care of employees only apply to senior executives?

(2) Next year (2025) is the year for policy salary adjustments, and the Union urges the management team to truly empathize with the employees. The Union requests that in the next fiscal year, salary adjustments guarantee a minimum increase of one thousand New Taiwan dollars for all union members, and promptly propose an employee stock trust scheme for negotiation with the Union.

Response from the Head of Human Resources Division:

The increase in compensation for senior executives in the previous year was mainly due to the implementation of a long-term incentive reward program starting in 2021. This program links executive compensation to the overall performance, risk, and sustainable development of the company. Additionally, the average salary and median salary for non-managerial employees also experienced some growth in the previous year.

4. Shareholder account number 537175 on behalf of shareholder account number 1310427, the Union of SinoPac Holdings and Subsidiaries:

(1) When customers speak disrespectfully to our colleagues, it may also involve insulting the company. In addition to assisting our colleagues, it is recommended that the company make an appropriate statement.

Chairperson's response:

Thank you for the Union Chairman's suggestion. SinoPac Holdings will definitely defend the reputation and honor of our company and all employees.

5. Shareholder account number 527657 on behalf of shareholder account number 820659, the Union of Bank SinoPac:

(1) The Head of Human Resources Division just explained that the 28% increase in compensation for senior executives is due to adjustments in the incentive structure. In contrast, there are no corresponding measures for general employees, and senior executives already have access to stock trusts. It is urged to provide clearer explanations and plans regarding employee stock trusts.

Chairperson's response:

Thank you. The employee stock trust is an ongoing topic of discussion within the company. Please rest assured that employees are like family to us, and we will make every effort to take care of everyone.

--Noted--

Proposal 2

Proposed by the board of directors

Proposal: Audit Committee's Review Report on Financial Statements for year 2023

Explanation:

- A. The 2023 Audit Committee's Review Report on Financial Statements is attached hereto as Attachment 2.
- B. The main focus of the Audit Committee in 2023 and the communications among the Audit Committee, audit officers and CPAs are attached hereto as Attachment 3.
 1. On behalf of the Audit Committee, Independent Director Wen-ling MA read out the Committee's Review Report (to everyone in the shareholders' meeting).
 2. Shareholder Account No.537175:
 - (1) The Union places great importance on workplace safety. We kindly request the Chairperson to make a statement expressing the company's stance against incidents of customer bullying towards our colleagues, which we do not wish to see happening.

Chairperson's response:

I have repeatedly emphasized that employees are like family, and we will never turn a blind eye to any irrational mistreatment of our colleagues by customers.

Response from the President of SinoPac Holdings:

In the workplace, customer bullying should not be tolerated. We will continue to monitor this matter closely and take appropriate actions.

Chairperson's response:

I want to reiterate once again that bullying is not tolerated under any circumstances. Please rest assured that we will not overlook this issue.

3. Shareholder Account No.1014732:
 - (1) How much room is there for the mortgage business before reaching the limit set by Article 72-2 of the Banking Act, and what are the related risk management measures?
 - (2) Regarding fraud prevention, did the company have any specific improvement measures last year? What will be the impact on the company after the implementation of the new Anti-Fraud Act in the future? In addition to regulatory requirements, it is also important to consider if there are any specific suggestions for the government.
 - (3) What are the key points in assessing the lending risks in the green energy and renewable energy industries?
 - (4) In response to changes in the financial market, what are the strategies and goals for overall capital allocation?

- (5) From my experience as a consumer, I find SinoPac's customer service and counter services to be quite good. Properly addressing the psychological needs of employees will be beneficial for the company's future development. It is recommended to maintain regular communication and a good relationship with the Union.
- (6) Regarding bullying, in addition to verbal or policy declarations, concrete actions are more important. It is suggested to include the issue of bullying as an agenda item in next year's shareholders' meeting.

Chairperson's response:

First and foremost, I want to emphasize that risk management is a crucial aspect that we highly prioritize. Additionally, the company also maintains regular communication with the Union.

Response from the President of Bank SinoPac:

- (1) The mortgage business maintains moderate growth, and the upper limit set by Article 72-2 of the Banking Act is 30%. We maintain a range of around 28% and conduct rigorous property valuations. We exercise caution and conservatism in valuations for hot areas or high-priced regions. Internally, we also utilize artificial intelligence for predicting property prices and assessing risks. Currently, the mortgage default rate is at a historic low, indicating overall manageable risks.
- (2) Fraud prevention is a common challenge faced by the entire financial industry. Bank SinoPac does not have a higher number of flagged accounts compared to our peers. After the legal age was lowered to 18 years old last year, there was a temporary increase in flagged digital accounts. However, after implementing proactive preventive measures in the second half of last year, the number of flagged accounts has returned to normal levels in the first quarter of this year. Nevertheless, flagged accounts continue to occur in the financial industry. We will continue to take appropriate measures to strengthen our last line of defense against fraud.
- (3) In terms of green energy financing, Bank SinoPac primarily focuses on solar energy financing and has accumulated ten years of experience in this field. Currently, the default rate is quite low, but we still approach this industry with caution. We hope to continue growing and make it a significant feature of Bank SinoPac.

Chairperson's response:

I want to reiterate once again that risk management is crucial in every aspect. Only by effectively managing risks can we strive for profitability and move forward.

--Noted--

Proposal 3

Proposed by the board of directors

Proposal: Distribution of remuneration for employees and directors in 2023, and a report on the payment of director remuneration

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 equivalent to or more than 0.01 % for employees' compensation and equivalent to or less than 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 2023:
 - a. The Company set aside NTD2,000,000 for compensation for employees, 0.01% of the profits following aforementioned calculation, and were distributed in cash.
 - b. The Company set aside NTD43,200,000 for compensation for directors, 0.22% of the profits following aforementioned calculation.
- C. This proposal was approved at the 1st and 2nd meeting of the 5th Term Remuneration Committee and the 1st, 2nd, and 3rd meeting of the 8th Term Board of Directors in 2024.
- D. In accordance with Article 71-1 of the "Corporate Governance Guidelines" of the Company, the Company shall report the remuneration received by the directors at the shareholders' meeting, including the remuneration policy, the type, amount, and level of remuneration, and the relationship with the directors' performance evaluation results. The payment of directors' remuneration is attached hereto as Attachment 4.

--Noted--

Proposal 4

Proposed by the board of directors

Proposal: Report on the amendment to the Company's "Guidelines for Ethical Corporate Management"

Explanation:

A. The amendment is highlighted as follows:

Amend the procedures for reporting the review of the programs to forestall unethical conduct.(Paragraph 3 of Article 21)

B. For the comparison table of amendments to the Company's "Guidelines for Ethical Corporate Management" and the amended version, are attached hereto as Attachment 5.

1. Shareholder Account No.546203:

- (1) I suggest amending the second part of Article 21, Paragraph 2 of the "Guidelines for Ethical Corporate Management" to "When necessary, an accountant should be appointed to conduct audits or professional assistance should be sought," in order to facilitate timely reporting to the board of directors.

Response from the Chief Compliance Officer:

The provision is formulated based on the " Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies " jointly developed by the Taiwan Stock Exchange Corporation and the Taipei Exchange. Regardless of whether an accountant is appointed for the audit, the audit results should be reported to senior management and the ethical management dedicated unit, and an audit report should be prepared and submitted to the board of directors.

2. Shareholder Account No.546203:

- (1) The audit unit may tend to magnify major issues and trivialize minor ones. Appointing an accountant for the audit provides more impartiality, and the public version is only for reference. The company can still strive for further improvement.

Response from the Chief Compliance Officer:

Thank you for your valuable suggestions. We will take it into consideration.

Chairperson's response:

No matter the scale of the matter, the audit unit will always handle it impartially. Please rest assured.

--Noted--

4. Ratification Items

Proposal 1

Proposed by the board of directors

Proposal: Business Report and Financial Statements for year 2023

Explanation:

A. The 2023 Financial Statement of the Company, were audited by Wu, Yi-Chun CPA and Ke, Jr-Shian CPA, both of Deloitte & Touche, Taiwan who issued an unmodified opinion report.

- B. The aforementioned Business Report and Financial Statements were approved at the 3rd meeting of the 8th Term Board of Directors in 2024 and examined by the Audit Committee.
- C. The 2023 Business Report and Financial Statements are attached hereto as Attachment 1 and Attachment 6.
1. The Chairperson appointed shareholder Jung-Kuei CHAN (Shareholder No.527911) and shareholder Yi-Chen CHEN (Shareholder No. 935336) as the monitoring personnel for Ratification, and Discussion Items, and appointed personnel from the Register and Transfer Agency Division at SinoPac Securities as the counting personnel.

Resolutions :

The number of shares represented by the shareholders present at the time of voting was 11,138,706,837. The voting result revealed that 10,256,537,454 votes were cast in favor of the proposal (including 5,908,119,459 votes cast electronically), accounting for 92.08% of the total attending voting shares, whereas 785,145 votes were cast opposing the proposal (including 785,145 votes cast electronically), accounting for 0.00% of the total attending voting shares . There was no spoilt vote, accounting for 0.00% of the total attending voting shares . 881,384,238 votes were abstained or refrained (including 873,271,403 votes cast electronically), accounting for 7.91% of the total attending voting shares . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

Proposal 2

Proposed by the board of directors

Proposal: Proposal for distribution of 2023 earnings

Explanation:

- A. The beginning retained earnings of the year 2023 was NTD4,009,629,222 and then it was adjusted by adding NTD1,843,239,884 on the disposal of investments in equity instruments measured at fair value through other comprehensive income, deducting NTD453,228,104 on the 2023 remeasurement of defined benefit plans, adding 2023 after-tax profit of NTD19,764,389,721, setting aside legal reserve of NTD2,115,440,150, and reversing special reserve of NTD9,042,496,242, the distributable retained earnings became NTD32,091,086,815.
- B. Based on the Articles of Incorporation, proposal for distribution of 2023 earnings is as follows,
- a. Cash dividends of Common Stock: NTD9,282,329,960 (NTD0.75 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: NTD3,094,109,990 (NTD0.25 per share)
- c. Unappropriated retained earnings: NTD19,714,646,865.
- C. 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 dividends and stock dividends to be distributed to each share.
- D. In accordance with Article 66-9 of the Income Tax Act, the net income and other comprehensive income of 2023 shall be applied first for the purpose of the distribution of earnings.
- E. The Company issued Class A preferred shares on May 15, 2009. Based on the Articles of Incorporation, dividends of class A preferred shares NTD1,263,255 were recognized as interest expense of 2023.
- F. This proposal was approved at the 5th meeting of the 8th Term Board of Directors in 2024 and reviewed by the Audit Committee.
- G. The Distribution of 2023 earnings is attached hereto as Attachment 7.

Resolutions :

The number of shares represented by the shareholders present at the time of voting was 11,138,706,837. The voting result revealed that 10,269,171,485 votes were cast in favor of the proposal (including 5,920,753,490 votes cast electronically), accounting for 92.19% of the total attending voting shares , whereas 1,269,864 votes were cast opposing the proposal (including 1,269,864 votes cast electronically), accounting for 0.01% of the total attending voting shares . There was no spoilt vote , accounting for 0.00% of the total attending voting shares . 868,265,488 votes were abstained or refrained (including 860,152,653 votes cast electronically), accounting for 7.79% of the total attending voting shares . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

5. Discussion Item

Proposal 1

Proposed by the board of directors

Proposal: Appropriation of 2023 undistributed earnings as capital through issuance of new shares

Explanation:

A. The company's current paid-in capital is NTD123,864,399,410 with 12,386,439,941 shares in issuance (12,376,439,941 common shares and 10,000,000 preferred shares). It is proposed that 309,410,999 new shares be issued on the amount of NTD3,094,109,990 from distributable profit of 2023. Paid-in capital after new shares issuance will be NTD126,958,509,400.

a. Source of fund for the proposed increase of capital: Distribution profit of

NTD3,094,109,990 for 2023. 309,410,999 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. Conditions 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 25 shares per 1,000 shares. Within five days from the book closure, the shareholders may go to the shareholder services agent to 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. Shareholders who are delivered the stock shares through book-entry transfer, the cash for their fractional shares will be offset as the delivery fees.
- 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.

Resolution:

The number of shares represented by the shareholders present at the time of voting was 11,138,706,837. The voting result revealed that 10,113,404,096 votes were cast in favor of the proposal (including 5,764,986,101 votes cast electronically), accounting for 90.79% of the total attending voting shares , whereas 1,249,218 votes were cast opposing the proposal (including 1,249,218 votes cast electronically), accounting for 0.01% of the total attending voting shares . There was no spoilt vote , accounting for 0.00% of the total attending voting shares . 1,024,053,523 votes were abstained or refrained (including 1,015,940,688 votes cast electronically), accounting for 9.19% of the total attending voting shares . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

6. Questions and Motions(None)

1. Shareholder Account No.546203:

- (1) Inquiry about the situation of acquiring King's Town Bank.
- (2) Inquiry about this year's profits and the dividend distribution for next year.

Response from the President of SinoPac Holdings:

- (1) Unable to comment on specific cases, but we will continue to strive to expand our assets and provide shareholders with better returns.
- (2) In recent years, with the support of shareholders, the board of directors, and the management team, SinoPac Holdings has achieved continuous growth in profits and received recognition from the market. With everyone's joint efforts, we believe that this year's profits will be better than last year. We will continue to work hard and hope to deliver satisfactory business performance for everyone.

Chairperson's response:

With the support of the board of directors, the management team, and all colleagues, we will definitely not let down the trust of our shareholders.

2. Shareholder Account No.285429:

- (1) To address the issue of bullying, it is recommended to enhance employee education and training, as well as security training.

Chairperson's response:

Thank you for the shareholder's suggestions. In addition to the measures and arrangements that have already been taken, the Human Resources Division will also consider the opinions of shareholders and learn from industry practices.

7. Adjournment : at 10:24 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.)

Chairperson: Shi-kuan CHEN

Minutes taken down by Jenny HUANG