SinoPac Financial Holdings Company Limited

Procedures for Ethical Management and Guidelines for Conduct

Enacted Unit: Legal & Compliance Division

Approved Level: Board of Directors

Article 1 Purpose of adoption and scope of application

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct or any bribery or corruption, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for the Company and the related laws with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company.

Article 2 Applicable subjects

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, supervisor, managerial officer, employee, or person having substantial control, of the Company or the subsidiaries.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 Unethical conduct, bribery or corruption

For the purposes of these Procedures and Guidelines, "unethical conduct (including bribery or corruption" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 Types of benefits

For the purpose of these Procedures and Guidelines, the term “benefits” means any item of value in whatever form or name, including money, gratuity, gift, commission, position, service, preferential treatment, rebate, and so on. However, ordinary social activities which occasionally do not affect the specific rights and obligations shall not be under this restriction.

Article 5 Dedicated unit and responsibility

The Company shall designate the ethical management committee as the solely responsible unit (hereinafter, "responsible unit"),avail itself of adequate resources and staff itself with competent personnel, in charge of establishing and supervising the implementation of the ethical 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 adopting appropriate prevention measures 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.
3. Planning the internal organization, structure, and allocation of responsibilities 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. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in 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.
7. Supervising the managerial departments documenting information on the ethical management policy, statement, commitment and implementation ,and

retain information properly.

Article 6 Prohibition against providing or accepting improper benefits

Except for one of the following circumstances, when directly or indirectly providing, accepting, promising, or requesting benefits provisioned in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for the Company and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, and the event or visit has been specified in the related rules.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Other conduct that complies with the rules of the Company or social etiquette.

Article 7 Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefit described in Art 4 by a third party, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the human resources unit. When the benefit cannot be returned, then within a week from the acceptance of the benefit, the personnel shall refer the matter to the human resources unit for handling.

The human resources unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the President.

Article 8 Prohibition of and handling procedure for facilitating payments

The Company shall neither provide nor promise any facilitating payment.

If any personnel of The Company provide or promise a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the human resources unit.

Upon receipt of the report under the preceding paragraph, the human resources unit shall take immediate action in order to minimize the risk of recurrence. In a case involving alleged illegality, the human resources unit shall also immediately report to the relevant judicial agency.

Article 9 Procedures for handling political contributions

In order to maintain political neutrality, the Company does not provide political contributions.

Article 10 Procedures for handling charitable donations or sponsorships

Charitable donations or sponsorships by the Company shall be provided in accordance with the donation management regulations of the Company.

Article 11 Recusal

When a proposal at a board of directors meeting concerns a director's personal interest of, or the interest of the juristic person represented by, any of the director, supervisors, managers, and such a relationship is likely to prejudice the interest of the Company, that director may express opinions and answer questions but may not participate in the discussion nor vote on that proposal. In addition, that director shall recuse himself or herself when the discussion and voting is in progress, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline by themselves, and may not support each other in an inappropriate manner.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate

supervisor and the human resources unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 Duty of confidentiality

The personnel of the Company shall be charged with procedures for managing, preserving, and maintaining the confidentiality of the Company's intellectual property rights, and shall not disclose or gather the confidential Information or trade secret to any person.

The personnel of the Company shall observe applicable laws and regulations, the company's 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 13 Prohibition against engaging in unfair competitive practices

All personnel of the Company shall engage in business activities in accordance with applicable competition laws and regulations.

Article 14 Non-disclosure agreement & prohibition against insider trading

The Company's personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging the undisclosed information to any other party in order to prevent another party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 15 Complying and Announcing the policy of ethical management to outside parties

The Company shall request directors and senior management to issue a statement of compliance with the ethical management policy and require employees to comply with such policy in the terms of employment.

The Company shall disclose its related provisions of ethical management in its annual reports and the official websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 16 Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Whether the enterprise has a record of unethical conduct such as bribery or illegal political contributions.

Article 17 Statement of ethical management policy to counterparties in commercial dealings

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management regulations, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitating payments, or other improper benefits provided or accepted through other channels.

Article 18 Avoidance of commercial dealings with unethical operators

All personnel of the Company shall avoid business transactions with an unethical agent, supplier, customer, or other counterparty in commercial interactions. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall evaluate to cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management regulations.

Article 19 Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, the Company shall gain a complete knowledge of the status of the other party's ethical management, and stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of commissions, rebates, or other benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 20 Handling of unethical conduct by personnel of the Company

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depended on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall adopt an independent whistle-blowing mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports.

A whistle-blower shall at least furnish the following information:

1. The whistle-blower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.
2. The informed party's name or other information sufficient to distinguish its identifying features.
3. Specific facts or reasonable suspicion are available for investigation.

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. Personnel of the Company handling whistle-blowing matters shall represent in writing that they will keep the whistle-blowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The Company shall handle whistle-blowing matters in accordance with reporting regulation of the Company.

Article 21 Actions upon event of unethical conduct by others towards the Company

If any personnel of the Company discover that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; if a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 22 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

The legal and compliance division shall periodically organize internal awareness programs regarding communicating the importance of corporate ethics to the chairperson, directors, president, or senior management, employees, and

mandataries.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel regulations of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 23 Enforcement

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors.

When the Procedures and Guidelines is 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 fifth meeting of the sixth session of the board in 2018 adopted the rule on May 25, 2018.
The sixth meeting of the seventh term of the board in 2020 amended the rule on September 25, 2020.