

# **Yuanta Commercial Bank**

## **Remuneration Committee Charter**

Adopted by the 7th meeting of the 7th Board of Directors on September 16, 2010

Amended by the 28th meeting of the 7th Board of Directors on July 14, 2011

Amended by the 48th meeting of the 7th Board of Directors on April 26, 2012

Amended by the 57th meeting of the 7th Board of Directors on August 30, 2012

Amended by the 1st meeting of the 9th Board of Directors on June 1, 2016

Amended by the 23th meeting of the 9th Board of Directors on March 30, 2017

Amended by the 23th meeting of the 10th Board of Directors on April 1, 2020

### **Article 1 (Purpose and basis)**

In order to improve corporate governance, the Remuneration Committee (hereinafter referred to as the “Committee”) is established in accordance with the Articles of the Association of Yuanta Commercial Bank Co., Ltd. (hereinafter referred to as “the Bank”), and this Organizational Charter is enacted for compliance in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Count.”

### **Article 2 (Scope)**

The composition, number of members, term of office, functions and powers, and meeting procedure of this Committee, and resources that the Company shall provide when exercising its functions and powers shall be handled in accordance with the provisions of the Organizational Charter. Those not regulated by this Organizational Charter shall be handled in accordance with relevant laws and regulations, the regulations of the competent authorities, and other regulations of the Bank.

### **Article 3 (Composition, number of members, and term of office)**

The Committee shall be composed of the Bank’s Independent Directors. The number of its members shall not be less than three, and the members shall elect the convener among themselves. The convener shall represent the Committee externally.

Members of the Committee shall be nominated by the Chairman of the Board, and appointed after the approval by the Board of Directors. The term of office of the members is the same as that of the Independent Directors. If the number of Independent Directors is short of that required by the preceding paragraph, due to Independent Directors’ leaving the office, Independent Directors for the vacant seats shall be appointed by Yuanta Financial Holding Co., Ltd. in accordance with the provisions of this Organizational Charter. The appointment shall be made by convening the Board of

Directors meeting within three months from the date of the fact. If there are any changes in the Committee members, the term of office shall be until the expiration of the original term of office.

#### **Article 4 (Functions and powers)**

The Committee shall exercise the due care of a good administrator, faithfully perform the following functions and powers, and submit recommendations to the Board of Directors for discussion:

1. Establishing and regularly reviewing the policies, systems, standards and structures of the performance evaluation and remuneration for the Bank's Directors and managerial officers.
2. Regularly assessing and determining the remuneration of the Bank's Directors and managerial officers.

During the Committee's performing of its functions and powers, it shall be based on the following principles:

1. For the performance evaluation and salary remuneration of Directors and managerial officers, it shall take reference to the industry standard at large and take into consideration the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.
2. It shall not induce Directors or managerial officers to pursue their remuneration by engaging in activities with risks exceeding the true tolerance of the Company.
3. For Directors and senior managerial officers, the percentage of employee remuneration to be distributed based on their short-term performance and the timing for paying a portion of the variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.

The "remuneration" as used in the preceding two paragraphs includes cash compensation, share subscription warrants, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of remuneration of Directors and managerial officers as set forth under the "Regulations Governing Information to be published in Annual Reports of Banks."

If the Board of Directors does not adopt or amends the Committee's recommendations, it shall be agreed by the majority of the present Directors in a meeting present by more than two-thirds of the entire Directors and by taking a comprehensive consideration prescribed in the preceding paragraph, and specific explanation shall be stated in the resolution about whether the remuneration passed is better than that recommended by this Committee.

If the remuneration passed by the Board of Directors is better than that recommended by the Committee, in addition to specifying the difference and its reason in the minutes book of the board meeting, public announcements and reporting shall be made on the information reporting website specified by the competent authority within two days from the date of the resolution by the Board of Directors.

#### **Article 5 (Meeting convening procedure)**

Meetings of the committee shall be convened twice every year, and meetings may be convened as necessary.

For the convening of the Committee meeting, a notice stating the reasons for the convening shall be sent to the members seven days prior to the meeting, unless there are urgent matters.

The Committee meeting shall be presided by the convener. If the convener is absent or cannot convene a meeting for any reason, the convener shall appoint one of the other members as the Acting Chairman of meeting. If the convener does not appoint an Acting Chairman, the members of the Committee shall elect the Acting Chairman among themselves.

The Committee may invite Directors, relevant department managers, internal audit personnel, accountants, legal counsel or other personnel to be in attendance in the meeting and to provide relevant and necessary information. However, they shall leave the meeting during discussion and voting.

The Human Resources Department shall provide the necessary assistance and related agenda information for the operation of the Committee.

#### **Article 6 (Setting of agenda)**

The agenda of the Committee meeting is set by the Department of Human Resources according to the convener's instruction. Other members may also provide proposals for the Committee to discuss. The meeting agenda shall be provided to the Committee members in advance.

#### **Article 7 (Meeting procedure)**

The Committee shall prepare a sign-in book for the meeting to be signed by the present committee members.

Members of the Committee shall attend the meeting in person. If they are unable to attend in person, they may entrust other members to attend the meeting as proxies; if members participate in a meeting via video conferencing, it shall be deemed as present in person.

When members of the Committee entrust other members to attend as proxies, they shall

issue a Proxy Authorization Statement each time and list the authorization scope of the matters for the convening.

The resolution of this Committee shall have the consent of more than half of the entire members. During the voting process, if there are no objections when the chairman of the Committee consults the present members, it is deemed to have passed and its validity is the same as that of voting. The result of the voting shall be reported on the spot and recorded.

The proxy prescribed in Paragraph 2 is limited to be the proxy of only one member. The members referred to in this Organizational Charter are those who are the actual incumbents.

### **Article 8 (Recusal)**

If a member of the Committee has a personal stake in the matter under discussion at the committee meeting, that member shall undertake to disclose the material content of the stake in the meeting. He or she shall not participate in discussions and voting if there is a risk that it is detrimental to the Company's interests and shall recuse himself or herself from discussions and voting and shall not exercise his or her voting rights on behalf of other members of the Committee.

If the Committee is unable to make a resolution due to the provisions of the preceding paragraph, it shall report to the Board of Directors, and the Board of Directors shall make a resolution.

### **Article 9 (Mandatory provisions of minutes book)**

A minutes book shall be made for the proceedings of the Committee's meeting, and the minutes book shall record the following matters in detail:

1. Session of the meeting, and date, time and venue of the meeting.
2. Name of the chairman of the meeting.
3. Member attendance status, including the names and numbers of persons who are present, absent with apologies, and absent.
4. Names and position titles of the persons in attendance.
5. Name of the minutes taker.
6. Announcement.
7. Discussions: For each proposal, the method of resolution and the result, the names of the Committee members involved in their own compensation matters and the contents of their compensation and recusal situations, and any objections or reservations expressed by the Committee members.
8. Extempore motions: The name of the proposer; the method of resolution and the result for each motion; a summary of the comments of the members of the

Committee, experts and other persons present at the meeting; the names of the Committee members involved in their own compensation matters and the contents of their compensation and recusal situations; and any objections or reservations expressed by the Committee members.

9. Other mandatory provisions.

If the members of the Committee have objections or reservation opinions, with records or written statements, for the Committee's resolutions, in addition to stating them in the minutes book, public announcements and reporting shall be made on the information reporting website specified by the competent authority within two days from the date of the fact.

The Committee's sign-in record constitutes part of the minutes book.

The minutes book shall be signed and affixed with chops by the chairman of the meeting and the minutes taker, and shall be thereafter distributed to the members of the Committee within twenty days after the meeting, submitted to the Board of Directors, included in the Company's important document files, and retained for at least five years. The preparation and distribution of the minutes book prescribed in Paragraph 1 may be effected by electronic means.

When the meeting is convened via video-conferencing, the video and audio information shall also be deemed as part of the minutes book.

**Article 10 (Resources the Company shall provide)**

The Committee may appoint lawyers, CPAs or other professionals, through its resolution, to provide necessary audit, review, or consultation on matters related to its exercise of functions and powers, and the expense shall be borne by the Company.

**Article 11 (Execution of the resolution)**

The Committee shall timely review the matters related to the Organizational Charter in order for the Board of Directors to amend.

For matters related to the Committee's resolutions, the relevant execution may be authorized to the convener or other members of the Committee for the subsequent affairs and for providing written reports to the Committee during the execution period, and it shall be reported to the Committee or submitted to the Committee for ratification at the next meeting if necessary.

**Article 12 (Implementation)**

This Organizational Charter is implemented after the adoption of the Board of Directors, and the same shall also apply to any revision thereto.