

Directions for Processing of Donations of Taiwan Business Bank

Promulgated in letter 101-Ye-Gong-Zi No. 1016037751 on November 8, 2012

Amended in letter 109-Ye-Gong-Zi No. 1096050861 on March 24, 2020

Passed in the 21st meeting of the 15th Board of Directors on May 5, 2021

Amended in letter Ye-Gong-Zi No. 1106003409 on May 17, 2021

Passed in the 24th meeting of the 16th Board of Directors on December 13, 2023

Amended in letter Ye-Gong-Zi No. 1126009450 on December 27, 2023

Article 1

In order to fulfill its social responsibilities, implement corporate governance and establish internal operating standards, Taiwan Business Bank (hereinafter referred to as the Bank) has established these guidelines in accordance with Article 16-1 of the Corporate Governance Best Practice Principles for Banking Industry.

Article 2

The Bank's donations are limited to the following recipients:

- I. Government agencies: Refers to central and local government agencies at all levels and public schools.
- II. Welfare organizations that have registered with the competent authorities or completed legal person registration: Refers to institutions or groups that promote culture, academics, medical care, hygiene, charity, sports, social services or other public welfare purposes, whose organization conforms to the public welfare association or foundation stipulated in the Civil Code and have been established or registered as a legal person with the competent authority.
- III. A public trust established for the purpose of charity, culture, academics, arts, religion, worship or other public welfare purposes with the permission of the competent authority, and with the Bank as its trustee.

Article 3

Donations are subject to prior review and are processed within the Bank's annual budget.

In addition to donations that are proactively handled by the Bank's various sponsoring units, donation recipients may also submit applications to the Bank.

When applying, the recipient of the donation must submit an application letter, a proposal, or other information related to the donation application for the Bank's review.

Before a donation may be processed or an application for donation may be accepted, each sponsoring unit shall examine the qualifications of the donation recipients, the purpose of the donation, and the

reasonableness of the amount to be donated. It shall also assess whether the donation is beneficial to the society and has substantial benefits and contributions to enhancing the Bank's corporate image and business development.

Article 4

Donations should be processed according to the following levels, and signed and approved by the sponsoring units:

- I. Donations that exceed the annual budgeted amount should be submitted to the Board of Directors for review.
- II. Donations to related parties or significant donations to non-related parties shall be submitted to the Audit Committee for review and shall be approved by a resolution of more than three-quarters of the directors present at a Board meeting attended by more than two-thirds of all directors.
- III. The related parties referred to in the preceding paragraph are the related parties stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "significant donation to non-related parties" refers to a single donation or when the cumulative donations to a single recipient within one year reaches NT\$100 million or above (currency denoted in NTD), or reaches 1% of the net operating income, or 5% of the paid-in capital in the most recent financial report certified by a certified public accountant (CPA).
- IV. Except for the donations described in Subparagraphs 1 and 2, all donations shall be approved at the following levels based on the total amount of a single donation or the same recipient throughout one year:
 - (I) Amounts below NT\$1 million shall be approved by the President.
 - (II) Amounts exceeding NT\$1 million and below NT\$3 million shall be approved by the Chairman.
 - (III) Amounts exceeding NT\$3 million shall be submitted to the Board of Directors (Managing Directors) for approval.
- V. If the Bank's annual budget has specified a donation amount and designated its recipient(s), the President will execute it in accordance with the administrative procedures.
- VI. Donations under the Subparagraph 2 and Item 3, Subparagraph 4, such as public welfare donations for emergency relief due to major disasters, may be approved by the Chairman in advance and submitted to the most recent meeting of the relevant approval level for subsequent ratification.
- VII. The one year referred to in the Subparagraph 3 is calculated based on the date of the current

Board of Directors meeting, going back one year.

Article 5

When processing donations, each sponsoring unit shall analyze and determine whether the donation is to a related party, or a significant donation to a non-related party in accordance with the definition in Paragraph 3, Article 4 of these Directions.

Article 6

After a donation has been approved, the sponsoring unit shall notify the recipient of the donation to produce a receipt, and the Bank shall deposit or remit the donation into a deposit account opened in the name of the recipient of the donation or issue a non-endorsement transfer note with the recipient of the donation as the payee to disburse the donation funds.

Donated funds shall be recorded and disbursed under the accounting items of "Business Expenses - Public Welfare Expenses" or "Miscellaneous Expenses - Public Welfare Expenses".

Article 7

When processing donations, the Bank must inform the recipient that the donated funds must be used for the designated purpose after receipt, and may not be used for purposes other than the specified donation purpose.

After making a donation, in the even that the Bank discovers that the recipient of the donation has not used the funds for the intended purpose, has used the funds improperly, or has made false statements or inflated accounts, the Bank shall not make any further donations to the recipient in the future. In addition, if criminal liability is involved, the incident shall be immediately transferred to the prosecutorial and investigative authorities for investigation.

Article 8

The Bank's donations to government agencies, charity organizations and charity trusts shall be publicly disclosed publicly in the Annual Report or by other means.

Donations to related parties or significant donations to non-related parties must be made in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" and the significant information must be announced within the specified period.

Article 9

Matters not covered by these Directions shall be handled in accordance with laws or regulations from the competent authorities.

Article 10

These Directions have been promulgated after review and approval by the Board of Directors. The same applies to all subsequent amendments.