

Implementation of Corporate Governance, and Gaps with the "Corporate Governance Best Practice Principles for the Banking Industry" and the cause of the said gaps

| ASSESSED ITEMS | STATE OF IMPLEMENTATION | | | GAPS WITH THE "CORPORATE GOVERNANCE BEST PRACTICE PRINCIPLES FOR THE BANKING INDUSTRY," AND THE CAUSE OF THE SAID GAPS |
|--|-------------------------|----|--|--|
| | Yes | No | SUMMARY | |
| <p>1. STRUCTURE OF THE BANK'S SHAREHOLDERS AND EQUITIES</p> <p>(1) DOES THE BANK STIPULATE AND IMPLEMENT A SET OF INTERNAL PROCEDURES TO HANDLE SHAREHOLDERS' SUGGESTIONS, QUERIES, DISPUTES, AND LITIGATIONS?</p> <p>(2) DOES THE BANK KEEP TRACK OF THE MAJOR SHAREHOLDERS WITH ULTIMATE CONTROL OVER THE BANK AND THE ULTIMATE CONTROLLERS OF THE MAJOR SHAREHOLDERS?</p> <p>(3) DOES THE BANK SET UP A FIREWALL AND RISK CONTROL MECHANISM TO REDUCE THE RISKS INVOLVED WITH THE BANK'S RELATED COMPANIES?</p> | ✓ | | <p>THE BANK HAS ESTABLISHED CUSTOMER COMPLAINTS PROCEDURES AND THE CUSTOMER COMPLAINT AND STOCK AFFAIRS CONTACT WINDOW, WHICH WILL LOOK INTO THE CIRCUMSTANCES UPON RECEIVING RECOMMENDATIONS, DOUBTS, OR DISPUTES, AND PASS THE TASK TO RELEVANT DEPARTMENTS FOR HANDLING. THE BANK ALSO HAS A SPOKESPERSON TO ADDRESS THE PROBLEM TO EXTERNAL PARTIES.</p> <p>THE BANK REFERS TO THE DECLARATION OF CHANGES IN THE REGISTER OF SHAREHOLDERS WHEN CLOSING THE STOCK TRANSFER AND THE MONTHLY REPORT FOR INTERNAL PARTIES TO KEEP TRACK AND UNDERSTAND THE SHAREHOLDING CHANGES OF SUBSTANTIAL SHAREHOLDERS AND ANALYZE THE FINAL CONTROLLERS OF SUBSTANTIAL SHAREHOLDERS.</p> <p>THE DIRECTIONS AND PROCEDURES FOR THE MANAGEMENT OF INVESTEE COMPANIES OF THE BANK PROVIDE RELEVANT REQUIREMENTS FOR THE SUPERVISORS OF ITS RELATED COMPANIES, BENEFITTING IN EFFECTIVE CONTROL OVER ITS PERFORMANCE AND BUSINESS OVERVIEW. IN RESPECT OF THE FIREWALL MECHANISM, PERSONNEL, ACCOUNTING, ASSETS, AND FINANCE DEPARTMENTS ALL HAVE DISTINCT OPERATIONS. LOANS TO RELATED COMPANIES ARE ALL SUBJECT TO THE RELEVANT LAWS AND REGULATIONS UNDER ARTICLE 32 AND ARTICLE 33 OF THE BANKING ACT.</p> | <p>NO GAP</p> <p>NO GAP</p> <p>NO GAP</p> |
| <p>2. BOARD COMPOSITION AND ITS RESPONSIBILITIES</p> <p>(1) DOES THE BOARD FORMULATE A DIVERSITY POLICY AND SPECIFIC MANAGEMENT GOALS?</p> <p>(2) APART FROM THE REMUNERATION COMMITTEE AND AUDIT COMMITTEE, DOES THE BANK ASSEMBLE OTHER FUNCTIONAL COMMITTEES AT ITS OWN DISCRETION?</p> | ✓ | | <p>1. TO STRENGTHEN CORPORATE GOVERNANCE AND ENHANCE THE SOUND DEVELOPMENT OF THE COMPOSITION AND STRUCTURE OF THE BOARD OF DIRECTORS, THE BANK HAS PROPOSED A BOARD DIVERSITY POLICY, SO THAT BOARD MEMBERS' DIVERSE CAPABILITIES IN DIFFERENT FIELDS CAN BE COMPLEMENTED. THE BANK'S CORPORATE GOVERNANCE BEST PRACTICE PRINCIPLES STIPULATE THAT DIRECTORS WHO SERVE AS MANAGERS AT THE BANK CONCURRENTLY ARE NOT ADVISED TO ACCOUNT FOR MORE THAN ONE-THIRD OF THE TOTAL DIRECTORS. THE BANK'S BOARD DIVERSITY POLICY SHALL COVER THE TWO CRITERIA BELOW IN TERMS OF OPERATIONS, BUSINESS MODEL AND DEVELOPMENT NEEDS:</p> <p>(1) BASIC QUALIFICATION AND VALUE: GENDER, AGE, NATIONALITY, AND CULTURE.</p> <p>(2) PROFESSIONAL KNOWLEDGE AND SKILLS: PROFESSIONAL BACKGROUND (SUCH AS LAW, ACCOUNTING, INDUSTRY, FINANCE, MARKETING, OR TECHNOLOGY), PROFESSIONAL SKILLS, AND INDUSTRY EXPERIENCE.</p> <p>2. TO ENHANCE THE INDEPENDENCE OF THE BOARD, THE NUMBER OF INDEPENDENT DIRECTORS WAS INCREASED TO FIVE FROM THREE AT THE ELECTION OF DIRECTORS FOR THE 16TH BOARD ON JULY 20, 2021, ACCOUNTING FOR 33.3% OF THE TOTAL, AND NONE OF THE INCUMBENT INDEPENDENT DIRECTORS HAVE SERVED MORE THAN THREE TERMS. TWO DIRECTORS SERVE AS EMPLOYEES CONCURRENTLY, ACCOUNTING FOR 13.3%, AND TWO DIRECTORS ARE FEMALES, ACCOUNTING FOR 13.3%, AND ONE DIRECTOR SERVE AS A MANAGERIAL OFFICER, ACCOUNTING FOR 6.6%.</p> <p>3. THE BANK'S DIRECTORS DO NOT HAVE SPOUSES OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP ON THE BOARD. THE MEMBERS GENERALLY POSSESS EXPERTISE AND EXPERIENCE IN FINANCE, SECURITIES, RISK MANAGEMENT, AND HUMAN RESOURCES.</p> <p>1. THE BANK HAS ESTABLISHED THE AUDIT COMMITTEE, REMUNERATION COMMITTEE, CSR COMMITTEE, SUSTAINABLE DEVELOPMENT COMMITTEE (ESTABLISHED BY MERGING THE EXISTING CSR COMMITTEE AND STRATEGIC DEVELOPMENT COMMITTEE ON DEC. 15, 2021), AND DIGITAL TRANSFORMATION COMMITTEE UNDER THE BOARD.</p> <p>2. THERE IS NO NOMINATION COMMITTEE; HOWEVER, THE ARTICLE OF ASSOCIATION OF THE BANK PROVIDE THAT THE ELECTION OF DIRECTORS SHALL ADOPT THE NOMINATION SYSTEM. ANY RE-ELECTION OF DIRECTORS SHALL BE SUBJECT TO NOMINATION BY A SHAREHOLDER WITH OVER 1% SHAREHOLDING OF THE BANK OR BY THE BOARD AND SUBJECT TO THE APPROVAL OF THE BOARD BEFORE BEING PROPOSED AT THE SHAREHOLDERS' MEETING FOR ELECTION.</p> | <p>NO GAP</p> <p>NO GAP</p> |

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|--|-------------------------|----|--|---------|
| | Yes | No | | SUMMARY |
| (3) DOES THE BANK HAVE A SET OF PERFORMANCE ASSESSMENT REGULATIONS AND ASSESSMENT METHODS FOR THE BOARD IN PLACE, CARRY OUT REGULAR PERFORMANCE ASSESSMENT, SUBMIT THE RESULTS OF THE PERFORMANCE ASSESSMENT TO THE BOARD AND UTILIZES SUCH RESULTS AS A REFERENCE FOR DETERMINING THE REMUNERATION AND COMPENSATION OF INDIVIDUAL DIRECTORS AND THEIR NOMINATION FOR RE-ELECTION? | ✓ | | <p>ACCORDING TO ARTICLES 2 AND 3 OF THE BANK'S REGULATIONS FOR BOARD PERFORMANCE ASSESSMENT, THE BOARD OF THE BANK SHALL CONDUCT THE ANNUAL PERFORMANCE ASSESSMENT AT THE END OF EVERY YEAR. THE ASSESSMENT RESULTS SHALL BE REPORTED BY THE SECRETARIAL DEPT. TO THE BOARD BEFORE THE END OF THE FIRST QUARTER (REPORTED TO THE 5TH BOARD MEETING OF THE 16TH BOARD). THE SCOPE OF ASSESSMENT SHALL INCLUDE THE PERFORMANCE OF THE BOARD, INDIVIDUAL DIRECTORS, AND THE FUNCTIONAL COMMITTEES. REGARDING THE ASSESSMENT METHOD, THE DIRECTORS (MEMBERS) AND EXECUTIVE DEPARTMENTS (DEPARTMENTS RESPONSIBLE FOR SUCH AFFAIRS) SHALL PERFORM SELF-ASSESSMENT AND EVALUATION, AND AN EXTERNAL PARTY SHALL BE ENGAGED FOR THE PERFORMANCE ASSESSMENT EVERY THREE YEARS (TAIWAN CORPORATE GOVERNANCE ASSOCIATION WAS ENGAGED TO CONDUCT THE PERFORMANCE EVALUATION FOR 2020, AND THE ASSOCIATION HAD ISSUED THEIR EVALUATION REPORT). THE REMUNERATION OF THE BANK'S DIRECTORS IS DETERMINED WITH REFERENCE TO THE STANDARD IN THE INDUSTRY, INDIVIDUAL PERFORMANCE, OPERATING EFFICIENCY OF THE BANK, AND THE RESULTS OF THE BOARD PERFORMANCE ASSESSMENT. FIXED COMPENSATION IS PAID TO INDEPENDENT DIRECTORS MONTHLY; INDEPENDENT DIRECTORS DO NOT RECEIVE THE DIRECTOR'S REMUNERATION STATED IN THE ARTICLE OF ASSOCIATION OF THE BANK.</p> | NO GAP |
| (4) DOES THE BANK REGULARLY EVALUATE THE INDEPENDENCE OF CPAS? | ✓ | | <p>REGULAR ASSESSMENT ON THE INDEPENDENCE OF THE APPOINTED CPA IS CARRIED OUT ANNUALLY SUBMITTED TO THE BOARD MEETING FOR APPROVAL BEFORE GRANTING THE APPOINTMENT THE ASSESSMENT HAD BEEN CARRIED OUT AT THE 3RD MEETING OF THE 16TH BOARD ON DECEMBER 15, 2021 ACCORDING TO THE REQUIREMENTS UNDER ARTICLE 38 OF "CORPORATE GOVERNANCE PRACTICES BEST PRACTICE PRINCIPLES FOR THE BANKING INDUSTRY" AND ARTICLE 68 OF "STATEMENT ON AUDITING STANDARDS No. 46," WITH REFERENCE TO THE INDEPENDENCE OF CPA IN THE CPA AUDITING PLAN. THE ASSESSING ITEMS ARE AS FOLLOW:</p> <ol style="list-style-type: none"> 1. THE CPA APPOINTED BY THE BANK DOES NOT PROVIDE ACCOUNT-KEEPING, FINANCIAL SYSTEM DESIGN INTRODUCTION, APPRAISAL (ASSESSMENT) BUSINESS, MANAGEMENT FUNCTION, ACTUARY SERVICES, INTERNAL AUDIT OUTSOURCING, HUMAN RESOURCES SERVICES, INVESTMENT CONSULTANCY, AND LEGAL SERVICES. 2. THE CPA APPOINTED BY THE BANK DOES NOT UNDERTAKE CONTINGENCY CASES ON PROFESSIONAL CHARGES (I. E., PROCEEDINGS), ACTIVE OR CONFIDENTIAL TAX AVOIDANCE PLAN AND PERSONAL TAXATION CASE FOR THE CHIEF OF FINANCE (ABOVE). 3. THE 2 APPOINTED CPAs HAVE NOT BEEN APPOINTED FOR OVER 7 YEARS, WHICH COMPLIES WITH THE REQUIREMENTS UNDER ARTICLE 38 OF "CORPORATE GOVERNANCE PRACTICES BEST PRACTICE PRINCIPLES FOR THE BANKING INDUSTRY" AND ARTICLE 68 OF "STATEMENT ON AUDITING STANDARDS No. 46." | NO GAP |

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| | Yes | No | | SUMMARY |
| 3. DOES THE BANK HAS PROPER NUMBER OF ELIGIBLE CORPORATE GOVERNANCE PERSONNEL IN PLACE AND APPOINT A MANAGER FOR CORPORATE GOVERNANCE TO BE IN CHARGE OF AFFAIRS RELATING TO CORPORATE GOVERNANCE (INCLUDING BUT NOT LIMITED TO, THE PROVISION OF NECESSARY DATA FOR DIRECTORS AND SUPERVISORS TO EXECUTE THEIR DUTIES, ASSISTING DIRECTORS AND SUPERVISORS IN LEGAL COMPLIANCE, ADMINISTERING MATTERS RELATING TO THE BOARD MEETINGS AND SHAREHOLDERS' MEETINGS IN ACCORDANCE WITH THE LAW, AND PRODUCING MINUTE BOOKS FOR THE BOARD AND SHAREHOLDERS' MEETINGS)? | ✓ | | <p>RELEVANT DEPARTMENTS OF THE HEADQUARTERS, SUCH AS THE SECRETARIAL DEPT., SHALL BE THE DEPARTMENT FULLY (JOINTLY) RESPONSIBLE FOR CORPORATE GOVERNANCE. PASSED AT THE 13TH MEETING OF THE 15TH BOARD, CHIEF SECRETARY LI-YUEH HSU FROM THE SECRETARIAL DEPT. WAS DESIGNATED AS THE MANAGER FOR CORPORATE GOVERNANCE TO PROTECT THE SHAREHOLDERS' INTERESTS AND STRENGTHEN THE FUNCTION OF THE BOARD. MS. HSU HAS HELD THE POST OF DIRECTOR IN RELATION TO AFFAIRS OF LEGAL AFFAIRS, FINANCE, STOCK AFFAIRS, OR CORPORATE GOVERNANCE FOR OVER THREE YEARS. HER PRIMARY DUTIES ARE HANDLING MATTERS CONCERNING THE COMPLIANCE OF BOARD MEETINGS AND SHAREHOLDERS' MEETINGS ACCORDING TO THE LAW, PREPARING THE MEETING MINUTES FOR BOARD MEETING AND SHAREHOLDERS' MEETING, PROVIDING ASSISTANCE FOR DIRECTORS AND SUPERVISORS WHEN ASSUMING OFFICE AND CONTINUING EDUCATION, PROVIDING REQUIRED INFORMATION FOR DIRECTORS AND SUPERVISORS IN EXECUTING BUSINESSES, PROVIDING ASSISTANCE TO DIRECTORS AND SUPERVISORS REGARDING THEIR COMPLIANCE WITH THE LAW. AFFAIRS CARRIED OUT IN RELATION TO THE CORPORATE GOVERNANCE IN 2021 ARE AS FOLLOW:</p> <ol style="list-style-type: none"> 1. THERE WERE CHANGES IN DIRECTORS ON MARCH 29, APRIL 15, APRIL 27, AND JULY 20, 2021. THE SECRETARIAL DEPT. HAS DISCLOSED MATERIAL INFORMATION AND REPORTED TO THE BOARD MEETING ACCORDING TO THE REQUIREMENTS. MOREOVER, THE ADMINISTRATION MANAGEMENT DEPT. HAS APPLIED FOR THE ALTERATION REGISTRATION TO THE MINISTRY OF ECONOMIC AFFAIRS, AND BOTH TASKS WERE SUCCESSFULLY COMPLETED. 2. PROVIDE DIRECTORS WITH THE CONTINUING EDUCATION INFORMATION REGARDING CORPORATE GOVERNANCE AND TRACK THE CONTINUING EDUCATION CONDITIONS. THE CONTINUING EDUCATION HOUR FOR EACH DIRECTOR HAS COMPLIED WITH THE REQUIREMENTS UNDER "DIRECTIONS FOR THE IMPLEMENTATION OF CONTINUING EDUCATION FOR DIRECTORS AND SUPERVISORS OF TWSE LISTED AND TPEX LISTED COMPANIES," WITH NEW DIRECTORS AND EXISTING DIRECTORS RECEIVING CORPORATE GOVERNMENT COURSES FOR 12 HOURS AND 6 HOURS, RESPECTIVELY. 3. PROVIDING LOGISTICS OF BOARD MEETINGS FOR 13 TIMES, SUCCEEDED IN DELIVERING THE NOTICE OF MEETINGS AND THE AGENDA TO DIRECTORS 7 DAYS PRIOR TO THE DATE OF THE MEETING AND DISPATCHED THE MEETING MINUTES WITHIN 20 DAYS FROM THE ENDING OF THE BOARD MEETING. 4. THE BANK HELD THE 2021 GENERAL MEETING OF SHAREHOLDERS AND UPLOADED THE MEETING NOTICE AND THE MEETING AGENDA HANDBOOK TO THE MOPS 30 DAYS BEFORE THE MEETING, AND ELECTED DIRECTORS FOR THE 16TH BOARD AT THE SHAREHOLDERS' MEETING, WITH THE NUMBER OF INDEPENDENT DIRECTORS RAISED FROM THREE TO FIVE, WHILE ANNOUNCING THE MINUTES OF THE SHAREHOLDERS' MEETING WITHIN 20 DAYS AFTER THE MEETING, ALL OF WHICH WERE DULY COMPLETED. | NO GAP |
| 4. DOES THE BANK ESTABLISH A CHANNEL TO COMMUNICATE WITH STAKEHOLDERS (INCLUDING BUT NOT LIMITED TO SHAREHOLDERS, EMPLOYEES, AND CUSTOMERS)? DOES THE BANK SET UP A SECTION FOR STAKEHOLDERS ON ITS WEBSITE AND DULY RESPOND TO THE MATERIAL CSR ISSUES CONCERNED BY STAKEHOLDERS? | ✓ | | <ol style="list-style-type: none"> 1. STAKEHOLDERS MAY CONTACT THE BANK THROUGH METHODS OF PRESENTING THEMSELVES AT BRANCHES, LETTERS, PHONE CALLS, FAX, AND E-MAIL. A REPORTING MAILBOX AND A DIRECT LINE ARE ALSO IN PLACE FOR REPORTING MATTERS OF BREACH OF TRUST. 2. THE INVESTOR RELATIONS ON THE BANK'S WEBSITE HAS SECTIONS INCLUDING ABOUT TBB, NEWS AND EVENTS, FINANCIAL INFORMATION, CORPORATE GOVERNANCE, STAKEHOLDER, CSR, FAQs, AND IR CONTACTS, TO PROVIDE BETTER SERVICES TO INVESTORS. 3. AT INVESTOR RELATIONS > STAKEHOLDER ON THE BANK'S WEBSITE, PROCEDURES FOR THE ANALYSIS OF MATERIAL ISSUES, SUMMARY TABLE OF CONCERNED ISSUES AND COMMUNICATION CHANNELS, SUSTAINABLE DEVELOPMENT GOALS (SDGs), Q&A CONCERNED BY STAKEHOLDERS, AND STAKEHOLDER CONTACT INFO ARE IN PLACE TO RESPOND TO THE ISSUES CONCERNED BY STAKEHOLDERS AND SAFEGUARD THEIR INTERESTS. 4. REPORT THE CONTENT AND FREQUENCY OF COMMUNICATIONS WITH STAKEHOLDERS, AS WELL AS ISSUES CONCERNED BY STAKEHOLDERS, TO THE BOARD AT LEAST ONCE PER YEAR (REPORTED TO THE 5TH BOARD MEETING OF THE 16TH BOARD). | NO GAP |
| 5. INFORMATION DISCLOSURE (1) DOES THE BANK SET UP A WEBSITE FOR THE DISCLOSURE OF RELEVANT INFORMATION ON FINANCIAL STATUS AND CORPORATE GOVERNANCE? | ✓ | | <ol style="list-style-type: none"> 1. THE INVESTOR RELATIONS SECTION ON THE BANK'S WEBSITE DISCLOSED SECTIONS INCLUDING ABOUT TBB, NEWS AND EVENTS, FINANCIAL INFORMATION, CORPORATE GOVERNANCE, STAKEHOLDER, SUSTAINABLE DEVELOPMENT, FAQs, AND IR CONTACTS, TO PROVIDE BETTER SERVICES TO INVESTORS. 2. THE INVESTOR RELATIONS > CORPORATE GOVERNANCE SECTION ON THE BANK'S WEBSITE HAS SECTIONS INCLUDING BOARD OF DIRECTORS, COMMITTEES, ORGANIZATION CHART, FUNCTIONS AND DUTIES OF DEPARTMENTS, INTERNAL AUDIT, REGULATION DOCUMENTS, OPERATIONS, INFORMATION SECURITY, AND CORPORATE INTEGRITY. | NO GAP |

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| | Yes | No | | SUMMARY |
| (2) DOES THE BANK TAKE ANY OTHER METHODS TO DISCLOSE ITS INFORMATION (E. G. ENGLISH WEBSITE, A SPECIAL GROUP ENGAGED ON GATHERING AND COMPILING THE BANK'S INFORMATION, THE INFORMATION ANNOUNCED THROUGH THE BANK'S SPOKESMAN, AND REGULAR INVESTOR CONFERENCE PROCESS DISCLOSED ON THE BANK'S WEBSITE)? | ✓ | | <p>1. TO REALIZE THE OPEN INFORMATION, THE BANK HAS ESTABLISHED THE "PROCEDURES FOR THE OPERATIONS FOR DISCLOSING INFORMATION EXTERNALLY." ACCORDING TO THE REQUIREMENTS, THE DISCLOSURE TO BE REPORTED SUCH AS INFORMATION ON FINANCE AND BUSINESS SHALL BE CARRIED OUT BY DESIGNATED PERSONNEL OF THE RELEVANT DEPARTMENT IN ACCORDANCE WITH THE DUTIES. FURTHERMORE, INFORMATION SUCH AS ABOUT TBB, NEWS AND EVENTS, FINANCIAL INFORMATION, CORPORATE GOVERNANCE, STAKEHOLDER, CSR, FAQs, AND IR CONTACTS, IS PROVIDED IN THE INVESTOR RELATIONS ON THE BANK'S CHINESE AND ENGLISH WEBSITES TO OFFER RELEVANT INFORMATION TO DOMESTIC AND OVERSEAS INVESTORS.</p> <p>2. THE MECHANISM OF SPOKESPERSON IS RESPONSIBLE FOR PROVIDING DESCRIPTIONS AND ANNOUNCING THE NEWS TO EXTERNAL PARTIES, SO AS TO ENSURE INVESTORS MAY RECEIVE ACCURATE NEWS.</p> | NO GAP |
| (3) DOES THE BANK PUBLISH ITS ANNUAL FINANCIAL REPORTS AND MAKE FILINGS AT THE END OF THE ACCOUNTING YEAR WITHIN TIME ACCORDING TO RELEVANT REQUIREMENTS UNDER THE BANKING ACT AND THE SECURITIES AND EXCHANGE ACT, AND PUBLISH FINANCIAL REPORTS OF THE FIRST, SECOND, AND THIRD QUARTERS AND THE OPERATING STATUS EACH MONTH AND MAKE FILINGS IN ADVANCE ACCORDING TO THE TIME PRESCRIBED? | ✓ | | <p>THE BANK PUBLISHES ITS ANNUAL FINANCIAL REPORTS AND MAKE FILINGS AT THE END OF THE ACCOUNTING YEAR WITHIN TIME ACCORDING TO RELEVANT REQUIREMENTS UNDER THE BANKING ACT AND THE SECURITIES AND EXCHANGE ACT, AND PUBLISH FINANCIAL REPORTS OF THE FIRST, SECOND, AND THIRD QUARTERS AND THE OPERATING STATUS EACH MONTH AND MAKE FILINGS ACCORDING TO THE TIME PRESCRIBED.</p> | NO GAP |
| 6. DOES THE BANK HAVE OTHER RELEVANT INFORMATION FOR BETTER UNDERSTANDING THE BANK'S CORPORATE GOVERNANCE OPERATION (SUCH AS EMPLOYEE RIGHTS, CARING FOR EMPLOYEES, INVESTORS RELATIONSHIP, STAKEHOLDER RIGHTS, ON-THE-JOB EDUCATION OF DIRECTORS AND SUPERVISORS, IMPLEMENTATION OF RISK MANAGEMENT POLICIES AND RISK ASSESSMENT STANDARDS, IMPLEMENTATION OF CUSTOMER POLICIES, LIABILITY INSURANCE POLICIES PURCHASED BY THE BANK FOR DIRECTORS AND SUPERVISORS, AND DONATIONS TO POLITICAL PARTIES, INTERESTED PARTIES, OR CHARITY ORGANIZATIONS)? | ✓ | | <p>1. TO CLARIFY THE RIGHTS AND OBLIGATIONS OF EMPLOYEES AND THE EMPLOYER, THE BANK ESTABLISHED THE "WORKING RULES" ACCORDING TO THE LABOR STANDARDS ACT AND RELEVANT LAWS AND REGULATIONS, WITH REFERENCE TO THE NATURE OF THE BANKING INDUSTRY, TO REGULATE EMPLOYEES' RIGHTS. THE BANK ALSO ESTABLISHED THE "DIRECTIONS FOR MEASURES OF PREVENTION, COMPLAINT, AND PUNISHMENT OF SEXUAL HARASSMENT AT THE WORKPLACE OF TAIWAN BUSINESS BANK" AS REGULATIONS ACCORDING TO THE ACT OF GENDER EQUALITY IN EMPLOYMENT.</p> <p>2. CARING FOR EMPLOYEES: (1) EMPLOYEES ARE ASSETS OF ENTERPRISES. THE BANK HAS SPARED NO EFFORTS IN CARING FOR ITS EMPLOYEES. EXCEPT FOR ESTABLISHING WORKING RULES AND PERSONNEL MANAGEMENT RULES ACCORDING TO RELEVANT LABOR LAWS SUCH AS THE LABOR STANDARDS ACT, THE BANK COMPLIED WITH THE LAWS AND REGULATIONS AND INSURED FOR THE LABOR INSURANCE, NATIONAL HEALTH INSURANCE, AND PROVISION OF RETIREMENT PENSION FOR ITS EMPLOYEES. IT ALSO ORGANIZES HEALTH INSPECTIONS FOR EMPLOYEES REGULARLY, PROVIDES DISCOUNTED GROUP MEDICAL INSURANCE AND CASUALTY INSURANCE TO PROTECT THE LIVES OF OUR EMPLOYEES, ALLOWING EMPLOYEES TO EXERT THEIR TALENTS AT WORK WORRY-FREE. ALSO, TO STRENGTHEN THE COMPETITIVENESS OF OUR EMPLOYEES AND IMPROVE THEIR PROFESSIONAL KNOW-HOW, THE BANK ORGANIZES TRAINING COURSES FOR DIFFERENT BUSINESSES ACCORDING TO THE ANNUAL EMPLOYEE TRAINING PLAN, PROVIDE A DIVERSIFIED PROGRAM ON THE DIGITAL LEARNING WEBSITE, AND HOLDS NONSCHEDULED CELEBRITY SEMINARS AND PROFESSIONAL LECTURES VIA VIDEO. THE BANK HAS A COMPREHENSIVE SYSTEM OF REMUNERATION AND REWARDS AS WELL AS THE PROMOTION CHANNEL, DIVERSIFIED TRAINING AND WELFARE MEASURES THAT ATTRACT AND RETAIN TALENTS, JOINING HANDS FOR THE PROSPERITY OF THE BANK.</p> <p>(2) THE BANK PLACES THE UTMOST EMPHASIS ON EMPLOYEE RIGHTS AND REGULARLY CALLS LABOR-MANAGEMENT MEETINGS WHERE THE TWO SIDES CAN FULLY COMMUNICATE AND NEGOTIATE ON EMPLOYEE RIGHTS AND WELFARE ISSUES, AND SIGN THE COLLECTIVE AGREEMENT, THEREBY MAINTAINING HARMONIOUS LABOR-MANAGEMENT RELATIONS.</p> <p>3. THE BANK SUBSCRIBED FOR "DIRECTORS, SUPERVISORS, AND OFFICERS' LIABILITY INSURANCE" FOR DIRECTORS AND OFFICERS OF THE BANK AND REPORTED THE INSURED CIRCUMSTANCES TO THE BOARD.</p> <p>4. THE BANK ESTABLISHED THE "DIRECTIONS FOR PROCESSING OF DONATIONS OF TAIWAN BUSINESS BANK" TO REGULATE THE CHARITABLE GROUP DONATION PROJECTS WHERE THE STAKEHOLDER(S) ACTS AS THE REPRESENTATIVE OR THE MANAGER.</p> <p>5. THE BANK CONSIDERS THAT PROPER HANDLING OF CUSTOMER COMPLAINTS MAY IMPROVE THE SERVICE QUALITY AND REALIZE THE CONTROL FOR OPERATING RISKS. THE BANK ESTABLISHED THE "CUSTOMER COMPLAINT CENTER" TO RESPOND TO CUSTOMER COMPLAINTS, AND ESTABLISHED THE "DIRECTIONS FOR THE PROCESSING OF CUSTOMER COMPLAINTS" OF THE BANK FOR COMPLIANCE.</p> <p>6. THE BANK ESTABLISHED THE HANDLING PROCEDURES AND REGULATIONS IN RESPONSE TO "SCAMS AGAINST FINANCIAL INSTITUTIONS BY SCOUNDRELS," "REPORT AND CONTACT FOR MAJOR CONTINGENCIES," AND "REPORT AND CONTACT FOR DISASTROUS EMERGENCIES" TO ACTIVELY</p> | NO GAP |

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| | Yes | No | |
| | | | <p>CARE FOR AND EFFECTIVELY REMIND OUR CUSTOMERS TO AVOID THE LOSSES RESULTING FROM SCAMS.</p> <p>7. TO IMPROVE OUR ATTENTION ATTACHES TO THE HANDLING OF CUSTOMERS' DISPUTES, INCREASE THE EFFICIENCY AND QUALITY FOR HANDLING CONSUMPTION DISPUTES, AND PROTECT THE RIGHTS OF CONSUMERS, THE BANK ESTABLISHED THE "CONSUMER DISPUTES HANDLING SYSTEM," AND THE AUDITING DEPT. SHALL REVIEW THE EXECUTION.</p> <p>8. TO PROTECT CUSTOMER RIGHTS AND BENEFITS AND OPTIMIZE THE BUSINESS OPERATION, THE BANK ESTABLISHED THE "CONSUMER PROTECTION POLICY OF TAIWAN BUSINESS BANK" AND "PROCEDURES FOR CONSUMER PROTECTION PROCEDURES OF TAIWAN BUSINESS BANK," AND DESIGNATED A RESPONSIBLE DEPARTMENT TO INSPECT THE EFFECTIVENESS OF THE CONSUMER PROTECTION SYSTEM. THE AUDITING DEPT. SHALL BE RESPONSIBLE FOR EXAMINE THE EXECUTION AND REALIZE THE PROTECTION FOR CONSUMERS.</p> <p>9. TO TREAT SHAREHOLDERS IN A FAIR MANNER, THE BANK ESTABLISHED THE "PROCEDURES FOR THE OPERATIONS FOR DISCLOSING INFORMATION EXTERNALLY," "DIRECTIONS FOR EQUITY MANAGEMENT," AND "ETHICAL CORPORATE MANAGEMENT BEST PRACTICE PRINCIPLES," WHICH CLEARLY STATED THAT THE INTERNAL PERSONNEL IS PROHIBITED FROM TRADING SECURITIES OF THE BANK BEFORE THE ANNOUNCEMENT OF RELEVANT INFORMATION.</p> |
| <p>7. WITH RESPECT TO THE RESULTS OF THE ANNUAL CORPORATE GOVERNANCE EVALUATION MOST RECENTLY ISSUED BY THE CORPORATE GOVERNANCE CENTER OF TAIWAN STOCK EXCHANGE, PLEASE DESCRIBE THE IMPROVEMENTS AND PROVIDE PRIORITY AND MEASURES TO ENHANCE THOSE MATTERS THAT HAVE NOT YET BEEN IMPROVED.</p> <p>THE BANK HAS ELECTED THE 16TH TERM OF BOARD OF DIRECTORS ON THE 2021 SHAREHOLDERS' MEETING. THE NUMBER OF INDEPENDENT DIRECTORS WAS INCREASED TO FIVE FROM THREE, AND NONE OF THE INCUMBENT INDEPENDENT DIRECTORS HAVE SERVED MORE THAN THREE TERMS, THEREBY ENHANCING THE INDEPENDENCE OF THE BOARD</p> | | | |