

**Yuanta Financial Holding Company**  
**Sustainable Development Committee Charter**

*Approved by the Board of Directors on November 28, 2018 (34<sup>th</sup> meeting of the 7<sup>th</sup> board)*

*Amendments approved on September 25, 2019 (6<sup>th</sup> meeting of the 8<sup>th</sup> board)*

*Amendments approved on June 23, 2021 (30<sup>th</sup> meeting of the 8<sup>th</sup> board)*

*Amendments approved on March 15, 2022 (39<sup>th</sup> meeting of the 8<sup>th</sup> board)*

**Article 1 (Purpose for Adoption)**

In order to implement the concept of sustainable development, promote corporate governance, strengthen the board of directors' management of integrity management and actively fulfill corporate sustainable development goals, the Company has established the Sustainable Development Committee (hereinafter referred to as the Committee), and in accordance with Article 16-5 of the Company's Articles of Incorporation and Article 3 of the Sustainable Development Committee Charter, the Company has established the Sustainable Development Committee Charter (hereinafter referred to as the Charter) to be followed.

**Article 2 (Committee Composition)**

The Committee shall consist of three (3) to seven (7) members, who shall be directors of the board of the Company, at least half of whom shall be independent directors, and all members shall elect one of them as the convener and chairperson of the Committee meeting from among themselves, and the Committee meeting shall be convened periodically or from time to time.

The members of the Committee are appointed by the board of directors after the nominating committee has reviewed their qualifications and potential conflicts of interest.

The term of office of the members of the Committee shall be the same as the term of office of the directors of the board, unless otherwise provided by law or the Company's Articles of Incorporation or by-laws, and if for any reason the number of members is less than three, the board of directors shall appoint a replacement.

**Article 3 (Duties and Powers)**

The Committee is subordinate to the board of directors and is responsible for the following:

1. Assisting in integrating the values of integrity management and corporate sustainable development into the Company's business strategy.
2. Cooperating with laws and regulations to establish measures to ensure integrity

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management and fulfill corporate sustainable development.

3. Overseeing the implementation of the Company's policies of integrity management and corporate sustainable development, and evaluating their effectiveness.

4. Other matters related to the formulation and monitoring of the implementation of policies on integrity management and corporate sustainable development.

#### **Article 4 (Policy Implementation Units and Responsibilities)**

In order to implement policies of integrity management and corporate sustainable development, the Committee has established the "Integrity Management Office" and the "Corporate Sustainability Office," which are composed of relevant personnel from the Company and its subsidiaries, and are responsible for the promotion and coordination of related matters on a daily basis, and reporting work plans and implementation results to the Committee on a regular basis.

The offices referred to in the preceding paragraph shall have a person in charge to manage, supervise, and promote the related affairs of the offices.

The person in charge of the offices shall be appointed with the approval of the Committee and the resolution of the board of directors.

#### **Article 5 (Meeting Call and Notice)**

Meetings of the Committee shall be held at least twice a year, and may be held at any time as necessary.

In convening a meeting of the Committee, a notice setting forth the subjects to be discussed at the meeting shall be given to each member at least seven (7) days in advance. In emergency circumstances, however, the meeting may be convened on shorter notice. The notice of the meeting may be prepared and distributed electronically.

If the convener of the Committee takes leave or is unable to convene a meeting for any reason, the convener shall appoint one of the other members on the Committee to act in his or her place. If the convener does not make such an appointment, a member of the Committee shall be elected by and from among the other members on the Committee to serve as convener.

The Committee may invite directors of the board, officers of related departments, and internal auditors of the Company or its subsidiaries to attend the meeting as non-voting participants depending on the content of the proposals.

If necessary, accountants, lawyers, or other professionals may also be invited to attend the meeting and offer explanations. However, they should leave the meeting during discussions and voting.

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## **Article 6 (Rules of Procedure)**

When the Committee convenes, a sign-in book shall be set up for the attending members to sign in for inspection.

The Committee members shall attend the meeting in person. If a member is unable to attend the meeting in person, the member may appoint another member to attend as his or her proxy, provided that the proxy is appointed by one person only. Attending a meeting via telecommunications will be deemed attendance in person. A member of the Committee that appoints another member as proxy to attend a meeting shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the consent of one half or more of the entire membership. When a matter comes to a vote at a Committee meeting, if upon inquiry by the meeting chair no member voices an objection, the matter will be deemed approved, with the same effect as approval by vote. The result of the vote shall be made known immediately and recorded in writing.

## **Article 7 (Meeting Minutes)**

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance of the Committee members at the meeting, specifying the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: results of resolutions, summaries of speeches by Committee members, experts and other persons present at the meeting, and dissenting or reserved opinions on each motion.
8. Extemporaneous motions: The name of the mover; the result of resolution for each motion; a summary of the comments of the Committee members, experts and other persons present at the meeting; and dissenting or reserved opinions.
9. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee. If the meeting is held via telecommunications, the audio and video materials also constitute part of the meeting minutes.

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The minutes of each meeting of the Committee shall bear the signature or seal of both the meeting chair and the minute taker. A copy of the minutes shall be distributed to each member on the Committee within twenty (20) days after the meeting, and shall be presented to the board of directors and retained as important corporate records for five (5) years. The meeting minutes may be produced and distributed in electronic form.

If a lawsuit concerning matters related to the Committee arises before the expiration of the aforementioned retention period, the meeting minutes shall be retained until the termination of the lawsuit.

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

If a member of the Committee has a personal stake in the matter under discussion at the Committee meeting resulting in a risk that it is detrimental to the Company's interests, that member shall undertake to disclose the material content of the stake in the meeting, and he or she shall not participate in discussions and voting. He shall also 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.

A member of the Committee whose spouse or collateral relatives by blood within two generations has an interest in the matter of the meeting mentioned in the preceding paragraph shall be deemed to have his or her own interest in the matter. If, as a result of Paragraph 1, the Committee is unable to resolve the matter, it shall report the matter to the board of directors, who shall make the resolution.

#### **Article 9 (Resources to Be Provided by the Company)**

The Committee may, at the expense of the Company, resolve to retain the service of an attorney, certified public accountant, or other professional to conduct a necessary audit or to provide advice on matters relating to the exercise of the Committee's powers.

#### **Article 10 (Implementation of Resolutions)**

Matters resolved by the Committee and related implementation work may be delegated to the convener or other Committee members for follow-up, with a written report to be presented to the Committee during the implementation period. When necessary, the matters shall be presented for ratification or a report made at the next meeting of the Committee.

#### **Article 11 (Agenda and Meeting Affairs Unit)**

The agenda of the Committee shall be determined by the convener. Other

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Committee members may submit motions to the Committee for discussion. Meeting agendas shall be forwarded to the Committee members in advance.

The Committee's meeting affairs unit is the Secretariat Office, which is responsible for assisting the Committee's agenda planning, convening notices, proceedings, meeting minutes, and other related matters.

**Article 12 (Application of Laws and Regulations)**

All matters not covered by the Charter shall be governed by the relevant laws and regulations of the competent authorities and other relevant rules and regulations of the Company.

**Article 13 (Approval Level)**

The Charter and any amendments to it, shall be implemented upon approval by the board of directors.