

# **E.SUN Commercial Bank, Ltd.**

## **Bylaws of Audit Committee**

Approved on 2008.6.13 during the first Meeting of the Seventh Board of Directors  
Amended on 2017.11.02 during the 4th Meeting of the Tenth Board of Directors  
Amended on 2020.03.12 during the 19th Meeting of the Tenth Board of Directors  
Amended on 2020.11.13 during the 5th Meeting of the Eleventh Board of Directors  
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### Article 1. (Basis for Formulation of these Organizational Regulations)

These Organizational Regulations are established pursuant to Article 3 of the "Regulations Governing the Exercise of Powers by the Audit Committee of Public Companies".

### Article 2. (Applicable Scope of these Organizational Regulations)

Unless otherwise specified by law or the articles of incorporation, the members, terms, authorities, procedural rules, and resources of the Company's Audit Committee (hereinafter referred to as "the Committee") which are to be provided by the Company shall be based on the rules set forth in these Organizational Regulations.

### Article 3. (Supervisory Matters)

The Committee shall be operated, mainly, to fulfill the following supervisory purposes:

- I. Fair representation of the Company's financial statements.
- II. Appointment and dismissal of certified public accountants and evaluation of their independence and performance.
- III. Effective implementation of internal control.
- IV. Compliance with regulations and rules.
- V. Management of existing or potential risks.

### Article 4. (Composition of the Committee)

The Committee shall consist entirely of independent directors, with no less than three members. One member shall be the convener, and at least one member shall have a background in accounting or finance.

The terms of office of Committee members shall be three years, and members may be eligible for re-election. When a member of the Committee is dismissed for any reason, resulting in there being fewer than the designated number of members as specified in the foregoing provision or articles of incorporation, an election shall be held during the next shareholders' meeting to select a replacement. In the event that all the

independent directors have been dismissed, the Company shall convene a special shareholder meeting to hold a by-election within 60 days from the date of the occurrence.

When the issued shares of the Company are all held by a single legal person, the aforementioned independent directors shall be designated by the single legal person.

#### Article 5. (Scope of Member Duties)

Committee members are tasked with the following duties:

- I. Stipulation and amendment of internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- II. Assessment of internal control system effectiveness.
- III. Stipulation or amendment of the handling procedure for acquisition or disposal of assets or derivative trading in accordance with Article 36-1 of the Securities and Exchange Act.
- IV. Matters involving the personal interests of directors.
- V. Major asset or derivative trading.
- VI. Public offering, issuance, or private offering of equity securities.
- VII. Appointment, discharge, and remuneration of certified public accountants.
- VIII. Appointment and removal of chief officers of finance, accounting, and internal audit.
- IX. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- X. The proposal of business report, surplus earning distribution or loss off-setting.
- XI. merger/consolidation or acquisition matters
- XII Other significant matters stipulated by the Company or competent authorities.

The items mentioned above must be approved by at least one half of all Committee members and submitted to the board of directors for resolution.

If any item set forth in Paragraph 1 above, with the exception of items listed under Subparagraph 9, are not approved by over one half of all Committee members, then they must be approved by over two thirds of all members of the board of directors.

"All Committee members" as referred to in these Organizational Regulations means the actual number of members who are currently holding the position.

The Committee's convener shall represent the Committee externally.

Article 5-1. (Review of merger and acquisition matters.)

According to Regulations Governing the Establishment and Related Matters of Special Committees of Public Companies for Merger/Consolidation and Acquisition, the authority that was originally to be exercised by the Special Committee for Mergers and Acquisitions shall now be carried out by this committee; the review of merger and acquisition matters shall be conducted in accordance with the resolutions of this committee and the special provisions of these regulations.

Article 6. (Convening, Notices, Convener, Attending Staff, and References of the Committee)

This Committee shall convene at least once a quarter, and shall hold meetings whenever deemed necessary.

When convening the Committee, the convener shall clearly explain in the meeting notice the purpose of the meeting. The notice shall be distributed to all independent directors at least seven days before the meeting. In emergency circumstances, however, meetings may be convened at any time.

The notice as stated in the preceding paragraph may be conducted by electronic means.

This Committee meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to attendance by all committee members and suitable for holding a committee meeting.

Members of the Committee shall elect among themselves one member to serve as the convener and chairperson.

In the event that the convener is on leave or is unable to arrange the meeting, the convener may appoint one other member to act as his or her agent to convene the meeting. If the convener has failed to designate an agent, the Committee's members shall elect a member among themselves to serve as such agent.

Independent directors constituting one-half or more of the entire membership of the committee may, by filing a written proposal setting forth the subjects for discussions and the reasons, request the convener to convene a meeting of the committee. If the convener fails to convene a committee meeting within 15 days from the filing of the request under the preceding paragraph, independent directors constituting one-half or more of the entire membership of the committee may convene a meeting on their own. The Committee may request the managers of relevant departments, internal audit personnel, certified public accountants, legal counsels, or other personnel of the Company to participate in the meeting as non-voting participants and provide pertinent and necessary information. However, these professionals need to be dismissed during the discussion and voting stage.

When a meeting of the Committee is convened, relevant information shall be provided

and issued to the Committee members for reference as needed.

Article 7. (Attendance Logs, Proxy Attendance, and Method of Resolution)

When a meeting of the Committee is convened, the Company shall provide an attendance book for attendees to sign-in, as they attend the meeting, and the attendance record shall be submitted as a reference.

Members of the Committee shall attend meetings in person. If a member is unable to attend in person, the member may designate another member as his or her proxy. Directors who participate in meetings via video conferencing shall be deemed to have personally attended the meeting.

When a member of this Committee commissions another independent director to attend a Committee meeting as an agent, the Committee member shall issue a power of attorney that lists the scope of the agent's authority with regard to the reasons for convening the meeting.

Resolutions of the Committee must be approved by more than one half of the Committee members. The results of each vote shall be announced on the spot and recorded in the meeting minutes. An agenda item is considered passed if the chairperson does not receive any objections from members in attendance. This voting method has the same effect as the conventional ballot method.

In the event that it is impossible to convene a Committee meeting due to justifiable reasons, the proposal shall be executed with the agreement of more than two thirds of all directors of the board. However, if the case involves any circumstance stipulated under Article 5, Paragraph 1, Subparagraph 9, an opinion issued by independent directors should be obtained to confirm their agreement.

The agent mentioned in Paragraph 2 may only act as the agent for one person.

Article 7-1. (Postponement of Meeting)

When the time of a meeting has arrived, if the committee members present do not reach one-half of the entire membership, the meeting chair may announce that the meeting time will be postponed to later on the same day, provided that only two postponements may be made. If the quorum is still not met after two postponements, the chair may re-call the meeting following the procedures provided in Article 6, paragraph 2.

Article 7-2. (Agenda Procedures and Postponement of Meeting)

The committee meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of one-half or more of the entire membership of the committee.

The meeting chair may not declare the meeting closed without the approval of one-half or more of the entire membership of the committee.

If at any time during the proceedings of a committee meeting the members sitting at the meeting do not reach one-half of the entire membership, then upon motion by the independent directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case the preceding article shall apply *mutatis mutandis*.

If at any time during the proceedings of a committee meeting, the convener for any reason is unable to chair the meeting or the chair fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 6, paragraph 6 shall apply *mutatis mutandis* to the selection of the deputy to act in place thereof.

Article 8. Meeting minutes and acknowledgments

The official business that transpired in the Committee meeting shall be entered into the official record, including the following items:

- I. The session, time, and place of the meeting.
- II. The name of the chairperson.
- III. Status of attendance by the independent directors, including the number and names of those who have attended, asked for leave, or were absent.
- IV. The names and titles of the attendees.
- V. The name of the recorder.
- VI. Reported items:
- VII. Discussions: The resolution methods and results of each motion and the summary of statements, objections, or reserved opinions made by the independent directors at the Committee meeting; the name of any independent director who is an interested party as defined under Article 10, Paragraph 1 along with a description of the principal interests involved; the reasons why a member was required or not required to be recused, and the status of their recusal; and any objections or qualified opinions expressed by members.
- VIII. Extempore motions: The name of the proposer, the method of resolution, and the result for each motion, a summary of the comments made by directors, supervisors, experts, or other persons. The name of any director that is an interested party as

referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal. Opinions or qualified opinions expressed at the meeting that were included in records or stated in writing.

IX. Other matters that warrant inclusion:

The attendance log constitutes an integral part of the Committee's meeting minutes and shall therefore be properly retained for the duration of the Company's existence.

The meeting minutes shall be signed or sealed by the chairperson of the meeting and the recorder, issued to each member within 20 days after the meeting, classified as critical documents of the Company, and properly retained during the Company's existence.

The preparation and distribution of meeting minutes as prescribed in Paragraph 1 may be made in electronic form.

#### Article 9. (Formulation of Meeting Agendas)

The convener shall determine the proceedings of the Committee's meeting agenda; other Committee members may also propose agenda items for discussion during the meeting.

#### Article 10. (Recusal from Resolutions)

If a Committee member is considered an interested party with respect to any agenda item under discussion, the member must disclose the principal interests involved. When the relationship is likely to prejudice the interests of the Company, the member in question may not participate in the discussion or voting on that agenda item and shall furthermore recuse himself or herself from discussing and voting on that item and may not act as another independent director's proxy to exercise voting rights on that matter.

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

If a resolution cannot be reached by the Committee as a result of the first preceding rule, the matter shall be reported to the board of directors for resolution.

#### Article 11. (Retention of Video and Audio Recordings Made During Meetings)

The Company shall make audio or video recordings of the entire proceedings of Committee meetings and retain the recordings for at least five years, in electronic

form or otherwise.

If, prior to the end of the retention period referred to in the preceding paragraph, any litigation arises in connection with a resolution of a Committee meeting, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.

Where Committee meetings are held by way of video conferencing, the recorded video and audio shall be treated as part of the meeting minutes and kept properly for the duration of the Company's existence.

#### Article 12 (Appointment of Experts)

Pursuant to the relevant provisions stipulated under Article 3 of these Organizational Regulations, the Committee may resolve to appoint lawyers, accountants, or other professionals to provide audit or consulting services. All costs thus incurred shall be borne by the Company.

#### Article 13 (Duties of Committee Members)

Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in these Organizational Regulations. The Committee shall report to the board of directors. All proposals shall be submitted to the board of directors for resolution.

#### Article 14 (Regular Reviews)

The Committee shall conduct regular reviews on matters relating to the Organizational Regulations and, when necessary, may provide their findings to the board of directors as reference for amendments.

#### Article 15 (Authority of the Committee)

Matters that have passed resolution by this Committee and other related implementation operations shall subsequently be handled by the authorized convener or other members of the Committee. Written or verbal report shall be issued to this Committee during the implementation period, and the matter shall be submitted in the next Committee meeting for approval or report if necessary.

#### Article 16 (Effectiveness)

These Organizational Regulations shall become effective upon approval by the board of directors.