

## **E.SUN Bank Corporate Governance Best Practice Principles**

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### **Chapter I General Rules**

- Article 1 These Principles are adopted to establish and implement effective corporate governance framework.
- Article 2 The Company establish a corporate governance system that, in addition to emphasizing capital adequacy, asset quality, management capability, profitability, asset liquidity, and risk sensitivity, shall adhere to the following principles::
1. Comply with the regulations and strengthen internal management;
  2. Protect the rights of shareholders.
  3. Strengthen the roles and powers of the board of directors;
  4. Respect the rights and interests of stakeholders;
  5. Enhance information disclosure to increase transparency.

### **Chapter 2 Regulatory compliance and sound internal management**

- Article 3 The Company shall map out overall operational strategies with its subsidiaries, risk management policies and relevant guidelines to enhance business management. Each of the Company's subsidiaries shall formulate and follow their own operational plans, risk management procedures, and implementation guidelines.
- Article 4 The Company shall establish a comprehensive internal control system and implement it effectively. The Board of Directors bears ultimate responsibility for ensuring the establishment and maintenance of an appropriate and effective internal control system. Senior management should operate under the guidance and supervision of the Board of Directors and follow the business strategies, risk appetite, compensation, and other policies approved by the Board. They must develop procedures sufficient to identify, measure, monitor, and control banking risks, establishing a proper and effective internal control system. The organization, processes, and decision-making of senior management should be clear and transparent, with specific roles, authorities, and responsibilities clearly defined.
- The adoption or amendment of the internal control system shall be subject to the consent of one-half or more of all Audit Committee members and submitted to the board of directors for resolution.
- Article 5 The Company's internal control and system shall encompass the Company's business activities and establish appropriate policies and operating procedures in the form of

organizational rules, articles of incorporation, business guidelines and procedural manuals, which are subject to regular review and revision in response to changes in the law, business items and operating processes. Compliance, internal audit and risk management units may be involved when necessary.

Article 6 The Company's internal audit system shall evaluate the effectiveness and operating efficiency of the internal control system and provide suggestions for improvement as required in order to ensure the continuing effectiveness of the internal control system and to assist the board of directors and management in fulfilling their duties.

The Company shall establish an Audit Division under the Board of Directors, which will operate with an independent and objective spirit to perform internal auditing duties and report to the Board of Directors and the Audit Committee on a quarterly basis.

The Company should set up channels and mechanisms for facilitating communication between independent directors, the Audit Committee, and internal audit officers. With respect to internal controls system reviews, directors of the Company shall meet at least once a year with internal auditors, keep minutes of discussions, conduct follow-ups, implement improvements, and submit a report to the board of directors.

For the sake of implementing the internal control system, strengthening the professional competencies of internal auditors and their proxies, and maintaining and enhancing the quality and performance of audits, the Company shall appoint authorized deputies for internal auditors.

Article 7 Management of the Company shall respect the internal audit unit and personnel and grant them sufficient authority and oversight so that they may perform effective inspections and assessments of the internal control system and measure operational efficiency in order to ensure the continuing effective operation of the system and the sound corporate governance of the Company.

The assessment of the effectiveness of the internal controls system shall be subject to the consent of one-half or more of all Audit Committee members and submitted to the board of directors for resolution.

Article 8 The Company shall establish a system of self-assessment, a compliance system, and risk management mechanisms, as well as an internal audit system, forming the three lines of defense for internal control. We will adhere to the execution procedures set forth by the regulatory authorities to maintain the effective and appropriate operation of our internal control system.

Article 9 The Company continuously track and evaluate the improvement measures taken in response to the inspection comments or deficiencies identified by financial regulatory authorities, accountants, and the internal audit unit, to effectively utilize internal audits and external audit reports, fully leveraging the control functions they provide.

If the auditors and compliance officers identify significant deficiencies in internal controls or violations of laws and regulations and their improvement recommendations are not adopted by management, resulting in substantial losses to the bank, they must immediately report this to the regulatory authorities.

Article 10 The Company shall establish a corporate governance system that ensures shareholders have the rights to be informed, participate in, and make decisions on significant matters, thereby protecting shareholder interests and treating all shareholders fairly.

### Chapter 3 Protection of shareholder rights and interests

- Article 11 The Company shall prioritize the rights of shareholders to be informed and strictly comply with relevant regulations on information disclosure. The Company will provide information regarding the bank's financial status, business activities, and the shareholdings of insiders through the information systems of the Market Observation Post System (MOPS) or via the bank's website to ensure transparency for shareholders.
- Article 12 The Company shall establish relevant internal regulations regarding donations, which will be submitted for resolution by the Board of Directors, and the Company will publicly disclose the details of donations made to political parties, stakeholders, and charitable organizations.
- Article 13 Shareholders shall have the right to share in the profits. To ensure the investment interests of shareholders, the shareholders' meeting may appoint inspectors to examine the records prepared by the Board of Directors, review the reports from the Audit Committee, and resolve the distribution of profits or the allocation of losses. The Board of Directors, Audit Committee, and management must fully cooperate with the inspectors in their examination activities and shall not obstruct, refuse, or evade such activities.
- Article 14 The company shall formulate relevant operating procedures in accordance with relevant laws and regulations and submit them to the shareholders' meeting, when the company engages in significant financial activities such as the acquisition or disposal of assets outside the scope of its business to protect shareholder interests.
- The company should consider the corporate governance status of the issuing companies of the investment targets as a reference for our investment decisions when making investments.
- Article 15 To protect the rights of shareholders, the Company should respond appropriately to suggestions, questions and complaints raised by shareholders.
- The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholders' rights and interests were damaged by a resolution adopted by the shareholder meeting or the board of directors is in violation of applicable laws, regulations or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors or managers in performing their duties.
- The Company should formulate internal operating procedures to properly handle the matters mentioned in the aforementioned two paragraphs, keep records of these procedures as a reference, and incorporate them into the internal control system.
- Article 15-1 The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.
- Article 16 A shareholder having controlling power over the Company shall comply with the following provisions:
1. The controlling shareholder shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or to operate for illicit profit gains.

2. The representative of the controlling shareholder shall exercise rights and participate in resolutions in good faith for the best interest of all shareholders. Should the controlling shareholder be a director of the Company, he or she shall exercise the duty of a director faithfully and attentively.
3. The controlling shareholder shall comply with relevant laws, regulations and the Articles of Incorporation in nominating directors and shall not act beyond the authority granted by the shareholder meeting or the board of directors.
4. The controlling shareholder shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. The controlling shareholder shall not restrict or impede the management of the bank by methods of unfair competition.
6. The representative that is designated for the purpose of corporate director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the controlling shareholder's representative is inappropriate.

Article 17 Authority for the management of personnel, assets and finances between the Company and other affiliates shall be clearly defined, and risk assessment shall be performed accordingly with effective firewalls established.

Article 18 To prevent stakeholders from exploiting their positions to engage in improper lending practices that could harm the rights of shareholders and depositors, as well as affect the sound operation of E.SUN Bank, we impose appropriate restrictions on loans granted to major shareholders, invested enterprises, or individuals with interests related to our responsible personnel or staff engaged in lending. Additionally, we shall comply with the relevant provisions of the Banking Act regarding lending restrictions for stakeholders, as well as the regulations set forth by the competent authority.

Article 19 In order to avoid improper transfer of benefits that can cause damages to the Company or its shareholders, the Company, when entering into a real estate transaction with its major shareholders, invested enterprises, responsible person, employees, or stakeholder of the Company's responsible person, the transaction shall be made in a way that is fair, impartial and objective, and in accordance with the norms of business, the Financial Holding Company Act, and other regulations made by competent authorities.

Article 20 The company shall establish a management development plan, and the board of directors should regularly evaluate the progress and implementation of this plan to ensure sustainable operations.

Article 21 The concurrent roles and the number of part-time positions held by the responsible personnel of E.SUN should ensure the effective execution of both their primary and concurrent positions, without any conflicts of interest or violations of the internal controls of the concurrent organizations.

The company shall regularly evaluate the performance of responsible personnel in their concurrent roles based on investment management needs and risk management policies. The results of these evaluations will serve as an important reference for the continuation or reduction of concurrent positions.

Unless otherwise stipulated by law, our managers should not hold concurrent positions with the managers of affiliated enterprises of E.SUN.

Article 22 The Company's directors shall offer explanations for what they plan to do for

themselves or others operations, and ask for approval at the shareholders' meeting.

Article 23 The Company shall establish sound financial, sales and accounting management targets and systems in accordance with applicable laws and regulations.

The company may establish a large exposure management system based on business conditions.

Article 24 The transaction made between the Company and other affiliated enterprises shall be based on the principles of fairness and reasonability, and adhere to guidelines governing the relevant financial and business operations between them. Price and payment terms shall be clearly specified in the contract, with non-arm's length transactions.

#### Chapter 4 Enhancing the Functions of the Board of Directors

Article 25 The Company's board of directors shall formulate overall business strategy and major policies of the bank, supervise the management, and be responsible to the company and shareholders.

The various procedures and arrangements of the corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholder meetings.

Article 26 In consideration of the Company's business scale, the board of directors, the shareholdings of its major shareholders, and practical operational needs, shall consist of not less than seven board members.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not be excessively high of the total number of the board members, and directors shall comply with the regulations set forth under Article 21 concerning concurrent appointments. Furthermore, an adequate diversification policy shall be developed based on the operations, mode of operation, and development requirements of the board. This policy should include, but not be limited to, the following two dimensions:

- I. Basic requirements: Gender, age, and nationality; it is advisable that the number of female directors account for at least one quarter of all the directors.
- II. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make sound business judgments;
2. Ability to conduct accounting and financial analysis;
3. Ability to manage business activities;
4. Ability to risk management knowledge
5. Ability to handle crisis management;

6. Knowledge of the industry;
7. An understanding of international markets;
8. Leadership;
9. Ability to make policy decisions.

Article 27 The board of directors shall perceive the risks faced by the Company's operations, shall confirm the effectiveness of risk management, and shall take ultimate responsibility for the management of the risks.

The Company's risk management policies and operating procedures shall be adopted by the board of directors and shall be reviewed and amended when appropriate.

The Company shall establish an independent risk management task force and regularly furnish risk management reports to the board of directors; upon identifying a significant risk exposure that might adversely affect its financial or business status, it shall take immediate and adequate countermeasures and submit a report to the board of directors in accordance with the company's internal regulations.

Article 27-1 E.SUN FHC set up a Sustainable Development Committee. We shall follow a governance framework which shall be established by Sustainable Development Committee for the promotion of sustainable development, perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities, devise risk management policies and strategies the implementation status of which shall be supervised by the board of directors, and develop greenhouse gas inventory disclosure schedules, which shall be presented to the board of directors for quarterly control and management.

Article 28 Unless the competent authority otherwise grants an exception, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

The directors of the Company shall comply with "Regulations Governing Qualification Requirements for the Responsible Persons of Bank"

Article 29 The company may establish an appropriate number of independent director positions based on operational scale and business needs.

The number of independent directors may not be less than three and one-third of the total number of members of the board directors.

The Company's independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than four other TWSE/TPEX listed companies.

An independent director may concurrently serve as an independent director in not more than three other public companies at one time. Where a public company is a wholly owned subsidiary of a financial holding company, both entities are considered to be the same company and are thus only counted as one public company; however, an independent director may only concurrently hold a post in one such company at a time.

It is not allowed for independent directors of The Company to serve more than three consecutive terms.

The professional qualifications, restrictions on shareholding and concurrent employment, determination of independence, method of nomination and other requirements for independent directors shall be governed by the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and other relevant regulations.

Article 30 The Company's chairman and president positions shall have a clear division of responsibilities, and are suggested not to be filled by one person.

Article 31 The Company shall specify the range of duties for independent directors and provide the manpower and resources needed for performing these duties. In cases where an independent director is tasked with handling material events or cases involving doubts, a third-party expert may be hired, as needed, to assist in evaluating the situation, or internal auditors may be requested to carry out a special audit or conduct follow-up monitoring. The Company and non-independent directors must not limit or interfere with the performance of independent directors' duties.  
The Company may establish a separate but reasonable set of remuneration for independent directors.

Article 32 To achieve the objective of corporate governance, the main goal of the board of directors is as follows:

1. Set up effective and appropriate internal control system.
2. Select and supervise managers.
3. Review the management decisions and operation proposals, and supervise the implementation status.
4. Review the financial goals of the Company, and supervise the completion of those goals.
5. Supervise the operation results of the Company.
6. Review the performance evaluation benchmark and remuneration standard for the managers and the remuneration structure and system for the directors.
7. Supervise the Company's establishment of an effective risk management mechanism.
8. Supervise the Company's compliance with relevant laws.
9. Plan and set future development directions for the Company.
10. Protect company image.
11. Select accountants and other professionals.

Article 33 The following issues shall be raised for discussion in board meetings:

1. Corporate business plan.
2. Annual financial reports and semi-annual financial reports.
3. Establishment or amendments to the internal control system according to Article 14-1 of the Securities and Exchange Act and assessments of internal control system effectiveness.
4. 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
5. Public offering, issuance or private offering of equity securities

6. The appointment and removal of the heads of the Finance, Accounting, Risk Management, Compliance, or Internal Audit Departments.
7. Review the performance evaluation benchmark and remuneration standard for the managers and the remuneration structure and system for the directors.
8. Donations to related parties or major donations to non-related parties.
9. Decisions that shall be resolved through a shareholders' meeting or a board meeting according to Article 14-3 of the Securities and Exchange Act, the Articles of Incorporation or other laws, and any major issues prompted by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

At least one independent director shall be in attendance at shareholders' meetings convened by the Company; in the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under Paragraph 1, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objections or qualified opinions expressed by independent directors shall be recorded in meeting minutes. If an independent director is unable to express objections or qualified opinions personally at the board meeting, the opinion shall be raised in writing in advance unless there is justifiable reason not to do so. Such opinions shall also be recorded in board meeting minutes

It is appropriate that each of the director should personally attend 80% or more routine board meetings.

Article 33-1 The Company's board of directors is advised to evaluate and monitor the following aspects of its direction of operation and performance in connection with intellectual properties, to ensure that the company develops an intellectual property management system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property management policies, objectives and systems that are associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its management systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property management system.
4. Observe internally and externally the risks and opportunities that intellectual property management may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property management system meet the company's expectations.

Article 34 To enhance decision-making and strengthen management function, the Company may establish various functional committees and clearly stipulate the regulations the company's Article of Incorporation taking into consideration the scale of the company, and the number of board members



Functional committees shall be responsible to the board and submit the proposals to the board of directors for resolution. Audit Committee that has a supervisory role in accordance with the Securities and Exchange Act, the Company Act, and other laws and regulations is not subject to this requirement.

Functional committees shall establish regulations for the exercise of their powers, which must be approved by the board of directors. The content of these regulations shall at least include the committee's authorities and responsibilities, the process for exercising powers (organizational status, qualifications of members, procedures for exercising powers, etc.), and a policy for annual review and evaluation to determine whether updates to the regulations are necessary.

Article 35 The composition of the audit committee of the company, the scope of duties, meeting minutes and signing matters, etc. shall be handled in accordance with the relevant provisions of the company's "Bylaws of Audit Committee".

Article 36 The company shall align with the resolutions of the remuneration committee of our parent company, E.SUN FHC, to establish performance evaluation benchmark and remuneration standards for managers and remuneration structure and system for the board directors.

Article 36-1 The Company has formulated whistleblowing system in accordance to Article 34-2 of "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and has appointed a department within the headquarters that is capable of exercising its authority of reception and investigation on the case reported in an independent manner.

Article 37 The Company shall commission professional attorneys to offer appropriate legal counseling and to assist the directors and management to become legally more sophisticated, so as to prompt corporate governance work to proceed under a suitable legal framework and procedures.

If any director or management becomes involved in litigation as a result of the conducting of business activities or becomes involved in a dispute with shareholders, the Company shall hire attorneys to provide assistance as needed. The company shall bear all costs incurred in this regard.

The Audit Committee or the independent directors of the Committee may appoint lawyers, accountants, and other professionals to provide audits or counsel the Committee in performing its duties. The company shall bear all costs incurred in this regard.

Article 38 To enhance the quality of financial reports, the Company shall appoint authorized deputies for accounting officers.

To strengthen the professional competencies of the aforementioned authorized deputies for accounting officers, such authorized deputies shall be subject to the same annual continuing professional education requirements as those of accounting officers.

Accounting personnel who are tasked with preparing financial reports shall also be required to undergo a minimum of six hours of relevant continuing professional education courses each year; such continuing education may include participating in the Company's own internal training sessions or professional development courses held by institutions for principal accounting officers.

The board of directors of the Company shall select professional, responsible and independent certified public accountants (CPAs) or other professional, competent and

independent external auditors to conduct regular audits of the Company's finances and internal control system. Any irregularity or error identified and disclosed by a CPA during an audit shall be reviewed and the corresponding opinions for improvement or fraud prevention shall be implemented. Furthermore, the Company should set up channels or mechanisms for communication between independent directors or the Audit Committee and CPAs, formulate internal operating procedures, and incorporate these procedures into the internal control system.

The Company shall assess the independence and competency of the CPAs on a regular basis (at least once a year). If the Company has not changed CPAs for seven consecutive years, or if any of the CPAs has undergone disciplinary actions or displays compromised independence, the Company shall evaluate the need for changing CPAs and report the results to the board of directors.

Article 39 The Company shall convene regular meetings of the board of directors and may convene additional meetings as needed in emergency situations. Regular meetings of the board should be planned in advance, with proposed agenda items prepared, and all directors must be notified within the stipulated time, along with providing sufficient meeting materials.

The board of directors shall designate meeting organizers and submit them to the shareholders' meeting to enhance the operational efficiency and decision-making capabilities of the board of directors..

Directors may request for supplemental information from the meeting organizers should they consider the existing information to be insufficient. Directors may resolve to postpone certain agendas if they consider the information presented to them to be inadequate.

Article 39-1 The chairman of the Board of Directors shall preside over meetings of the shareholders and meetings of the Board of Directors, and shall represent the Company to external parties. The chairman shall faithfully conduct corporate affairs and perform the duty of care of a good administrator, and shall exercise his or her powers with a high level of self-discipline and prudence.

If the chairman performs his or her duties by working remotely in Taiwan or overseas, working from home, video conferencing, or other models of remote work for prolonged period, the chairman shall abide by the aforementioned rules and shall ensure the effective performance of his or her duties.

Article 39-2 If the chairman is unable to perform duties due to leave of absence or for any reason, the chairman may appoint one of the directors to act on his or her behalf. If the chairman did not appoint a director, the directors will appoint one among them.

The appointment of a delegate by the chairman or directors in the preceding paragraph shall adhere to the principle of separation of banking and commerce prescribed in the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks.

The duties and power that the chairman's delegate in the first paragraph may exercise during the period of delegation shall not exceed the chairman's level of authority. Any restrictions shall be clearly indicated in advance.

Article 40 Directors shall hold themselves to high standards of self-discipline and voluntarily recuse themselves from discussing and voting on matters in which they or the institutional investors they represent have invested interests that might hurt the Company's interests. Directors who have abstained themselves are not allowed to

delegate voting rights to other directors. The directors shall exercise self-discipline and must not support one another in improper dealings.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 41 For any decisions that need to be resolved through a board meeting under Article 14-3 of the Securities and Exchange Act, the independent directors must attend such meetings personally and may not appoint other independent directors as proxy attendants. Any objections or qualified opinions expressed by independent directors shall be recorded in meeting minutes. If an independent director is unable to express objections or qualified opinions personally at the board meeting, the opinion shall be raised in writing in advance unless there is justifiable reason not to do so. Such opinions shall also be recorded in board meeting minutes.

If the board resolution involves any of the following circumstances, the details of such circumstance shall be addressed in the meeting minutes and announced and reported in accordance with the relevant regulations of the Taiwan Stock Exchange Corporation or Taipei Exchange:

1. Objections or qualified opinions expressed by independent directors on record or in writing.
2. Any matters that are not agreed upon by the Audit Committee but passed by more than two-thirds of the full amount of directors.

Matters pertaining to the convening of board meetings by the Company shall comply with the Company's rules of procedure for board meetings.

Article 42 The Company's staff personnel attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The meeting minutes shall be signed or stamped by the chairperson and the minute taker and issued to all directors within 20 days after the meeting. The attendance log constitutes part of the board meeting minutes and shall be listed as key files of the Company and retained as such over the company's existence.

Preparation, distribution, and storage of meeting minutes may be made in electronic form.

A Company shall record on audio or videotape the entire proceedings of a board of directors' meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If, before the end of the preservation period referred to in the preceding paragraph, any litigation arises in connection with a resolution of a board of directors' meeting, the relevant audio or video recordings shall continue to be preserved, in which case the preceding paragraph does not apply.

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

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements shall not be liable for damages.

- Article 43 Considering the scale and the needs of the board of directors, the Company may establish managing directors in accordance with relevant regulations provided in the Company Act.  
The number of independent directors among the executive directors of E.SUN shall not be less than one and shall not be less than one-fifth of the executive director positions.  
The Company shall set forth in its Articles of Incorporation the scope of delegation to managing directors when the board of directors is in recess. When material interest of the bank is involved, the matter shall be disposed of by a resolution of the board of directors.
- Article 44 The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.  
The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.
- Article 45 The Company's directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall ensure that all matters are handled according to the resolutions of board of directors unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation  
Any resolution of the board of directors that involves the Company's business development or a major policy direction shall be carefully considered and may not affect the implementation and operation of corporate governance.  
The Company shall establish the Board of Directors Performance Evaluation Policy, which shall be used to perform self-assessment and overall evaluation on the performance of the board as a whole, functional committees, and individual directors periodically on a yearly basis, and also to engage an external professional independent institution or external expert scholar to perform the evaluations.
- Article 46 If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.  
Upon discovering a likelihood that the Company could suffer material injury, directors shall handle the matter in accordance with the provisions set forth in the foregoing paragraph, immediately report the matter to the Audit Committee or an independent director of the Audit Committee as well as to the board of directors, and oversee that the Company reports the matter to the competent authority
- Article 47 The ratio of the total shares held by all the directors of the board shall comply with applicable laws. Restrictions on the transferring of directors' shares, and the establishment, removal, and change of pledges shall comply with applicable regulations. Furthermore, information shall be fully disclosed.
- Article 48 The Company may, pursuant to the relevant regulations, establish liability insurance contracts with insurance firms for the Company's directors to cover the respective compensation liabilities involved when performing their duties.  
The Company is advised to report the insured amount, coverage, premium rate, and

other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 49 The Company's directors are advised to continue to participate in training courses on finance, risk management, business, commerce, accounting, law, anti-money laundering and combating the financing of terrorism (AML/CFT), corporate social responsibility, and other subjects offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Each director of the company shall participate in continuing education each year in accordance with the aforementioned regulations, which must include at least three hours of courses related to environmental (E), social (S), and governance (G) aspects of corporate sustainability, and may also participate in internal training programs organized by the company or its affiliated enterprises.

It is advised that the Company shall arrange orientation courses for newly elected director to make them familiar with condition and business of The Company, and to understand rights and obligation of being a director.

Article 49-1 The Company has an adequate number of corporate governance personnel and appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs.

Said officer shall be in a managerial position and shall be qualified as a manager in accordance to qualifications set forth in Corporate Act or Securities and Exchange Act. The appointment of said officer shall be subject to resolution of the board. Upon resignation or dismissal, the Company shall reappoint substitute one month after the occurrence of such matter. In the circumstance in which said officer is an adjunct position by other employee in the Company, it is advised the person who assume the position shall be able to effectively perform responsibility of both positions. The person must not be involved in conflict of interest or violation of internal control system.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items :

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting in onboarding and continuous development of directors and supervisors.
4. Furnishing information required for business execution by directors and supervisors.
5. Assisting directors and supervisors with legal compliance.
6. And other matters set out in the articles or corporation or contracts.

## Chapter 5 Respecting the rights and interests of stakeholders

Article 50 Open channels of communication shall be maintained between the Company and its clients, partner banks or other creditors, employees, the community or other stakeholders, and respect and uphold the rights and interests of those parties as protected by the law. The Company shall designate a stakeholders section on its

website.

When a stakeholder's legal rights are violated, the Company shall respond appropriately according to the principle of good faith. The board is advised to learn about major disputes and handling of disputes between the Company of its stakeholders, in an effort to strengthen respect to stakeholders' rights.

The Company shall provide sufficient information to its partner banks and other creditors to facilitate their judgment and decision-making processes regarding the Company's operations and finances. When the legal rights of these parties are violated, the Company shall respond in a positive manner and accept responsibility so as to allow creditors to obtain compensation through appropriate channels.

Article 51 The Company shall establish a consumer protection policy, which shall at least include mechanisms for handling post-consumption complaints and unexpected significant consumer incidents.

Article 52 The Company shall establish employee communication channels, to encourage employees to communicate directly with management and directors to ensure adequate feedback of employees' views regarding important decisions on the Company's operations and finances or involving employees' interests.

While maintaining normal business growth and achieving maximized shareholder profits, the Company shall also pay attention to consumer rights, environmental protection in the community, and charitable activities and uphold its corporate social responsibility.

## Chapter 6 Enhancing transparency of information disclosure

Article 53 Disclosure of information is one of the Company's key responsibilities and shall be performed with due diligence in accordance with applicable laws, the Articles of Incorporation.

Article 54 The Company shall establish an online reporting system for information disclosure and assign designated personnel to be responsible for the collection and disclosure of data. The Company shall appoint a spokesperson to ensure that information that may have an impact on the decision-making processes of shareholders and stakeholders is disclosed in a timely and appropriate manner.

Article 55 To ensure the accurate and timely disclosure of important information of the Company, a spokesperson with a comprehensive understanding of the Company's finances and business or who is able to coordinate with departments to provide relevant information and speak on behalf of the Company to external parties shall be appointed.

The Company shall also appoint one or more deputy spokespersons. Each of the deputy spokespersons shall be able to stand in when the spokesperson is unable to perform their duties. However, an order of delegation shall be established to avoid confusion.

To ensure effective use of the spokesperson, the Company shall establish a clearly defined standard disclosure procedure and require that management and employees comply with duties of confidentiality regarding financial data and not make any unauthorized external disclosure of information.

Any changes in spokesperson or deputy spokesperson personnel shall be disclosed promptly.

Article 56 The Company should take advantage of Internet resources and establish a website to provide financial data and information on corporate governance for shareholders and stakeholders. An English version website should be made available to provide information relating to financial affairs, corporate governance, and other relevant information in order to meet the needs of foreign investors.

The aforesaid websites shall be maintained by designated personnel. The information contained therein shall be correct and sufficiently detailed and up-to-date to avoid potential misdirection.

Article 57 The Company shall dedicate a space on its website to disclose and update from time to time the following information regarding corporate governance:

- 1.Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.
- 2.Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.
- 3.Corporate governance bylaws: such as articles of incorporation, procedure of board of directors meetings, charter of each functional committee, and other relevant corporate governance bylaws.
- 4.Important corporate governance information: such as information of establishment of corporate governance executive officers.

## Chapter 7 Supplementary Provisions

Article 58 The Company shall monitor the development of corporate governance in the Republic of China and in other countries and review and improve its own corporate governance system accordingly in order to enhance the performance and benefits of corporate governance.

Article 59 Matters not specified in these Principles shall be governed by the Company Act, the Securities and Exchange Act, the Banking Act, the Financial Holding Company Act and commonly accepted practices.

Article 60 These Principles shall become effective upon approval of the Board of Directors.