



Fubon Financial Holding Co., Ltd.

Audit Committee Charter

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Article 1 (Basis for the Establishment of the Charter)

This **Charter** is established in accordance with paragraph 1, Article 25 of the Articles of Incorporation of the Company and by reference to Article 3 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies."

Article 2 (Scope)

The numbers, tenure, and powers of the members of this Committee, the rules of procedure of this Committee and the resources provided by the Company when this Committee is exercising its powers shall all comply with this Charter.

Article 3 (Matters under Supervision)

The operation of this Committee is to supervise the following matters as its main purpose:

1. Fair representation of the Company's financial statements.
2. Engagement, termination, independence and performance of the auditor.
3. Effective execution of the Company's internal control.
4. Appropriateness of the Company's internal legal compliance procedures and plans.
5. Management and control of the Company's existing or potential risks.

Article 4 (Composition of the Committee)

Members of this Committee consist of all of the Company's independent directors. The Committee shall consist of at least three members. Members of the Committee should elect one of the members as the convener and chairman of meetings. At least one of the members shall have either accounting or finance expertise.

The tenure of the independent director members of the Committee is 3 years and may be extended for another 3 years by the approval of shareholders meeting. When the number of the independent director members in the Committee falls below the number prescribed in the preceding paragraph or in the Articles of Incorporation of the Company due to the dismissal of an independent director for any reason, a by-election shall be held at the next shareholders meeting to fill the vacancy. When all of the independent directors are dismissed or all their seats are vacated, an extraordinary shareholders meeting shall be called by the Company within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

Article 5 (Applicable Regulations and Mutatis Mutandis)

The powers conferred to the supervisors as set forth in the Securities and Exchange Act (the "Act"), the Company Act, and any other laws, except for those set forth in Paragraph 4, Article 14-4 of the Securities and Exchange Act, shall be exercised by the Committee.

The provisions of Paragraph 4, Article 14-4 of the Act, in regard to the Company Act concerning the actions of supervisors or their role as representatives of a company, shall

apply mutatis mutandis to the independent director members of the Committee.

The “Financial Holding Company Act,” “Financial Institution Merge Act,” “Business Mergers And Acquisitions Act,” ”Regulations Governing the Establishment and Related Matters of Special Committees of Public Companies for Merger/Consolidation and Acquisition” and other relevant statutes and regulations should apply to the Committee when the Committee handles related merger and acquisition matters of the Company.

Article 6 (Scope of Duty)

The duties of the Committee are as follows:

1. To adopt or amend the Company's internal control policy pursuant to Article 14-1 of the Securities and Exchange Act.
2. To conduct assessment on the effectiveness of internal control policy.
3. To adopt or amend, pursuant to Article 36-1 of the Act, procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others and endorsements or guarantees for others.
4. To audit matters in which a director is an interested party.
5. To audit matters of asset transactions or derivatives trading of material nature.
6. To audit matters of loans of funds, endorsements, or provision of guarantees of material nature.
7. To audit offerings or private placement of equity-type securities.
8. To audit matters of hiring or dismissal of an auditor and their remuneration.
9. To audit matters of appointment or discharge of a financial, accounting, or internal audit officer.
10. To review annual reports and second-quarter financial reports signed or sealed by Chairman, manager and chief accountant.
11. To audit the fairness and reasonableness of merger and acquisition projects and transactions.
12. To audit matters concerning distribution of preferred share dividends.
13. To review business report and earnings appropriation or loss reimbursement proposals.
14. To review and follow up on annual budgets, operational plans, risk management policy, information security policy and strategy, and improvement of major information security incidents.
15. To review major change of accounting policy or estimate.
16. To audit other material matters as may be required by the Company or competent authorities

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire members of the Committee and shall be submitted to the Board of Directors for a resolution.

Any matters in paragraph 1, with the exception of subparagraph 10, that has not been approved by one half or more of the entire members of the Committee may be adopted with the approval of two-thirds or more of the entire Board of Directors.

The "entire members," as used herein, shall mean all of the Committee members actually in office at the given time.

The convener of the Committee shall be the public representative of the Committee.

Article 7 (Procedures of the Meeting)

The Committee meetings shall be convened at least once every quarter, and may be called at its discretion whenever necessary.

In calling of a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each member of the Committee at least 7 days in advance; in emergency circumstances, however, the meeting may be called any time.

When the convener is on leave or unable to convene a meeting for any reasons, the convener shall appoint one of the members of the Committee to act as the deputy convener; if the convener fails to make such an appointment, the members of the Committee should elect one of the members of the Committee to serve as the deputy convener.

The Committee may resolve to request managers of relevant departments, internal audit officers, accountants, attorneys or other personnel of the Company to attend the meeting as non-voting participants and provide relevant necessary information, but they must disassociate from discussion and voting on proposals.

When the Committee meeting is called, the members of the Committee present at the meeting shall be furnished with relevant materials for reference.

Article 8 (Meeting Agenda)

The Committee's meeting agenda shall be drawn up by the convener. Other members may also submit motions for deliberation by the Committee.

Article 9 (Attendance and Resolution)

When a meeting of the Committee is held, an attendance book shall be made available for the signature of the attending members, and thereafter made available for reference.

Members of the Committee shall attend the Committee meeting in person. If a member is unable to attend in person, he or she may appoint another member as the proxy to attend the meeting; however, when a meeting is held for the purpose of auditing matters of merger and acquisition transactions, members cannot use the proxy at such meeting and members who attend the meeting should vote to agree or disagree; the member who attends the said meeting cannot forfeit their voting power either. Attendance via video communication network is deemed as attendance in person.

A member of the Committee who appoints another member to attend a meeting of the Committee in his or her place shall, in each time, issue a written proxy stating the scope of authority with reference to the subjects to be discussed at the meeting.

Resolutions at meetings of the Committee shall be adopted with the approval of one half or

more of the entire members of the Committee. The result of a vote shall be announced immediately and recorded in writing.

During voting, if the committee chairman solicits and receives no dissents, such proposal is deemed approved with equivalent effectiveness as a resolution by votes.

If, for a legitimate reason, it is impossible to hold a Committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire Board of Directors. Nevertheless, a written opinion indicating approval or disapproval shall be obtained from each independent director member with respect to the matters under Subparagraph 10, Paragraph 1, Article 6.

The proxy under paragraph 3 may act as a proxy for one person only.

Article 10 (Meeting Minutes)

Discussions at a Committee meeting 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 chairman of the meeting.
3. Attendance of the members, including the names and the number of members present, excused, and absent.
4. The name and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. Reporting Matters.
7. Discussion Matters: the type of resolution and result for each proposal; summary of comments made by Committee members, experts, and others present; the name of any Committee member deemed to have an interested party relationship as per Paragraph 1, Article 11 of this Charter, a description of the key aspects of the interested party relationship, reasons why the member should or should not recuse himself or herself, and the status of the recusal; any objections or reservations expressed; the expressed opinions of members of the Committee which agree or disagree with reasons to an audited merger and acquisition transactions should be recorded in the meeting minutes and submitted to the Board of Directors.
8. Ad Hoc Motion(s): The name of the mover; the method of resolution and the result for each motion; a summary of the comments made by Committee members, experts, and others present; the name of any Committee member deemed to have an interested party relationship as per Paragraph 1, Article 11 of this Charter, a description of the key aspects of the interested party relationship, reasons why the member should or should not recuse himself or herself, and the status of the recusal; and any objections or reservations expressed.
9. Other matters required to be recorded.

The attendance book constitutes part of the meeting minutes for each Committee meeting

and shall be preserved permanently.

The meeting minutes of a Committee meeting shall bear the signature or seal of both the chairman and the minutes taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

The company shall record audio or video of the entire proceedings of a Committee meeting, and preserve the recordings for at least 5 years, in electronic form or otherwise.

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

Where a Committee meeting is held via video conferencing, the audio and visual documentation of the meeting shall form a part of the meeting minutes and be well preserved permanently.

Article 11 (Review Recusal)

If a member of the Committee who has a personal interest in the matter under discussion shall explain to the others the essential contents of such personal interest and shall disassociate from all discussions and voting if the stakes are in conflict against the Company's interests. In addition, the member may not exercise voting rights on behalf of others.

Where the spouse, a blood relative within the second degree of kinship of a member of the Committee has interests in the matters under discussion in the meeting of the preceding paragraph, such member shall be deemed to have a personal interest in the matter.

In the event that the Committee is unable to pass a resolution due to the previous provision, the Committee shall report the same to the Board of Directors and the Board of Directors shall resolve on the issue.

Article 12 (Appointment of Experts)

The Committee may resolve to retain the service of an attorney, accountant, or other professionals to provide advice and conduct audit with respect to matters in connection with Articles 3 and 6. The costs of their services shall be borne by the Company.

When the Committee audits a matter of merger and acquisition transaction, it shall engage an independent expert to provide an opinion on the reasonableness of the share exchange ratio or distribution of cash or other assets to shareholders.

"Independent expert" means a certified public accountant, lawyer, or securities underwriter, and the independent expert may not be a related party of any counterparty of a merger and acquisition transaction, nor have a relationship of interest that could affect the expert's independence.

The engagement of the independent expert of the preceding 2 paragraphs shall require the assent of one-half or more of all the Committee members.

The Company should bear the cost of the engagement of the independent expert as stipulated in paragraphs 1 and 2 of this Article.

Article 13 (Obligations of the Committee Members)

Members of the Committee shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the Board of Directors and shall submit their proposals to be resolved by the Board of Directors.

Every person who participates in or is aware of a plan for merger or acquisition shall issue a written undertaking of confidentiality, and may not externally disclose the content of the plan prior to public disclosure of the information, and may not trade, in their own name or under the name of another, any stock, or other equity security or derivative thereof, of any company related to the plan for merger or acquisition.

Article 14 (Regular Review)

The Committee shall conduct periodic reviews of matters relating to this Charter and submit such reviews to the corporate governance and sustainability committee for deliberation and then present the results for amendment by the Board of Directors.

Article 15 (Delegation by the Committee)

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next Committee meeting.

Article 16 (Enforcement)

This Charter, and any amendments hereto, shall come into force after adoption by resolution of the Board of Directors.

Appendix: Revision History

Version	Date of approval	Date of effect	Level of approval authority	Remarks
01	12/8/2006	12/8/2006	Board of directors	The 17 meeting of the 03 board
02	6/13/2008	6/13/2008	Board of directors	The 01 meeting of the 04 board
03	2016/01/28	2016/01/28	Board of directors	The 09 meeting of the 06 board (Regular)
04	2017/08/24	2017/08/24	Board of directors	The 01 meeting of the 07 board (Regular)
05	11/21/2019	1/1/2020	Board of directors	The 14 meeting of the 07 board (Regular)