

Fubon Financial Holding Co., Ltd. and Subsidiaries

Donation Management Policy

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Department
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Article 1 Purpose

The “Fubon Financial Holding Co., Ltd. and Subsidiaries Donation Management Policy” (the “Policy”) has been established to ensure that the management of donations made by Fubon Financial Holding Co., Ltd. (the “Company”) and the subsidiaries listed on the Company’s business license (the “subsidiaries”) follows clear guidelines, fulfills Fubon’s social responsibility, and puts into practice the Company’s corporate citizenship vision, and that the policy is complied with.

Article 2 Scope

The Policy applies to the Company and its subsidiaries.

If a subsidiary wants to separately establish its own related guidelines because of the size or nature of its business or because of related laws or regulations that it must comply with, it should first submit the proposed guidelines for approval to the Corporate Sustainability Department under the Corporate Communications Division.

Subsidiaries shall oversee the activities of their subsidiaries based on the principles of the Policy.

Article 3 Definition of Donations

The term “donations” refers to donations made voluntarily to political parties, charitable groups, related parties, other groups or individuals, and for which the recipients do not provide any form of tangible benefit in return.

When the Company and its subsidiaries make a donation to the same recipient with the same objective, it is considered to be the same donation, regardless of whether the donation is made in one lump sum, made in installments in the same fiscal year, or made in installments in different fiscal years. In addition, the total amount of the donations to the same cause shall be booked as the donation amount.

Article 4 Scope of Donations

Donations made by the Company or any of its subsidiaries to political parties, charitable groups, related parties, other groups or individuals shall be handled in accordance with the provisions of the Policy.

Article 5 Donation Budget

To make more efficient use of donation funding, the Company and each subsidiary can, as part of the budgeting process, earmark up to 2% of the company’s pre-tax profits from the previous year for donations in its annual budget.

If a company posted a loss in the previous fiscal year or its donations in the

current year exceed 2% of the previous year's pre-tax profits, the situation should be handled as follows:

1. For donations made by the Company and/or any of its subsidiaries over the long term to charitable groups (such as to the Fubon Charity Foundation, Fubon Cultural & Educational Foundation, Fubon Art Foundation, and Taipei Fubon Bank Charity Foundation, or donations made in installments over different fiscal years but where the total amount of the donation has been approved by the board of directors) or donations made in line with public welfare policies promoted by the government, they should be budgeted as "fixed item, fixed amount" donations and carried out after being approved by the board of directors.
2. Aside from the donations described in the previous paragraph, donation requests should be approved on a case-by-case basis by the board of directors before being carried out.

Article 6 Donation Procedures

Before making a donation, an assessment must be done on a case-by-case basis based on the following considerations and be approved at the appropriate level of authority according to internal Company or subsidiary guidelines before being carried out:

1. Does the amount of the planned donation meet the provisions in the previous Article?;
2. Is the targeted recipient a legally established organization?
3. Does the donation comply with related laws and regulations?
4. Is the objective of the donation consistent with the company's corporate image and operating philosophy?

The Company and its subsidiaries shall have related mechanisms in place to ensure that donations are made appropriately.

The submission for approval noted in Paragraph 1 should be made to the Company's Corporate Communications Division.

Article 6-1 Acting as the Original Donor

If the Company or a subsidiary plans to make a donation for the purpose of establishing a new charitable group (making it an "original donor"), it should assess each plan case-by-case based on the following considerations and have it approved at the appropriate level of authority according to internal Company or subsidiary guidelines before being carried out:

1. Does the donation comply with the provisions in Article 5?
2. Does the donation comply with related laws and regulations?
3. Is the objective of the donation consistent with the company's corporate image

and operating philosophy?

The Company and its subsidiaries shall have related mechanisms in place to ensure that the targeted recipient is a legally established organization and that donations are made appropriately.

The submission for approval noted in Paragraph 1 should be made to the Company's Corporate Communications Division.

Article 7 Donations to Related Parties

Any donation to a related party must be submitted to the board of directors and reviewed and approved before it can be carried out.

The term "related party" as used in the Policy refers to related parties as specified in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Article 8 Major Donations

Donations to the same recipient that meet any of the following conditions must be approved by the board of directors before they can be carried out:

1. A single donation totals NT\$100 million or more;
2. The combined donations to the same recipient in a one-year period total NT\$100 million or more;
3. The donation represents 1% of net operating revenue or 5% of paid-in capital as reported in CPA-certified financial statements for the most recent fiscal year. The "one-year period" mentioned in Subparagraph 2 above refers to a one-year period calculated retroactively from the date the current board of directors meeting is held. Amounts already approved by a board of directors resolution in a previous year are exempted from inclusion in the calculation of donations for the current year.

Article 9 Exceptions

Based on the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," a public-welfare donation for emergency relief following a major natural disaster can be approved retroactively at the next board of directors meeting. When faced with an urgent donation case, such as a public-welfare donation for emergency relief following a major natural disaster, the Company and/or any of its subsidiaries can immediately proceed with related issues after receiving the approval of the chairman of the board. But the target recipient must still comply with the provisions in Article 7 of this Policy, or donations made to a single recipient in compliance with the provisions in Article 8 of this Policy should be submitted at the next board of directors meeting for retroactive approval.

Article 10 Prohibited Behavior

Before a donation is approved by the board of directors or a responsible supervisor, employees in the unit handling the donation cannot enter into any oral or written agreements with the organization receiving the planned donation. They also must not disclose related matters to third parties in any way.

Article 11 Annual Performance Report

Within three months after the end of each year, each subsidiary shall compile a summary of its donation activity in the previous year and report this to the subsidiary's board of directors for its reference.

The Company's Corporate Communications Division shall compile a similar summary of the donation activity of the Company and its subsidiaries during the previous year according to the provisions in the previous paragraph and submit it to the Company's board of directors for its reference.

Article 12 Public Disclosures

When the Company and/or a subsidiary makes a donation to a related party in compliance with Article 7 of the Policy or a major donation to a non-related party in compliance with Article 8 of the Policy, it shall handle the announcement of the material information based on the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities."

For a public-welfare donation for emergency relief following a major natural disaster that can be approved retroactively at the next board of directors meeting, the disclosure of the material information shall be made on the date of occurrence (the agreement date, signing date, payment date, transaction date or title transfer date, the date of a resolution by the board or a committee it has established or other dates when the transaction party and the transaction amount can be ascertained – whichever comes first).

The Company and subsidiaries required by the Securities and Exchange Act to issue an annual report shall publicly disclose donation activity in that company's annual report.

The Company's annual report shall disclose not only donation activity by the Company for the year in question but also donation activity by its subsidiaries.

Article 13 Additional Provisions

Other matters not covered in the Policy should be handled in accordance with related laws and regulations and Company rules.

Article 14 Implementation and Revision

The Policy is to be published and implemented in accordance with the Company's policy on establishing rules and guidelines after being approved by the Company's board of directors. The same is true for revisions.

Table: Record of Changes

Version	Date of Approval	Effective Date	Approval Level	Notes
01	2011/01/21	-	Board of Directors	4th board, 12th meeting Initial version set
02	2012/10/26	-	Board of Directors	5th board, 8th meeting Revised in line with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”
03	2014/03/20	-	Board of Directors	5th board, 16th meeting Revised in line with Article 2, Paragraph 43 of the Taiwan Stock Exchange Corp.’s “Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities”
04	2016/08/25	-	Board of Directors	6th board, 13th meeting Revised Articles 3 and 5
05	2018/03/22	2018/03/22	Board of Directors	7th board, 4th meeting Responsible unit adjusted to the Planning Division
06	2018/08/27	2018/08/27	Board of Directors	7th board, 7th meeting The name of these rules is changed to “policy.”
07	2019/05/02	2019/05/10	Board of Directors	7th board, 11th meeting Revised Article 12 on the scope of subsidiaries
08	2019/11/21	2019/12/03	Board of Directors	7th board, 14th meeting Revised scope of subsidiaries to which the Policy applies
09	2020/01/17	2020/01/20	Division Head	Revised Articles 2, 6, 6-1 and 11; The unit in charge was changed to the Corporate Communications Division.