

# **Fubon Financial Holding Co., Ltd.**

## **Rules Governing the Procedures for Shareholders Meetings**

Renamed and amended by the first Extraordinary Shareholders' Meeting on February 6, 2002  
1<sup>st</sup> amendment by Annual Shareholders' Meeting on June 6, 2003  
2<sup>nd</sup> amendment by Annual Shareholders' Meeting on June 9, 2006  
3<sup>rd</sup> amendment by Annual Shareholders' Meeting on June 13, 2008  
4<sup>th</sup> amendment by Annual Shareholders' Meeting on June 15, 2012  
5<sup>th</sup> amendment by Annual Shareholders' Meeting on June 12, 2015

### Article 1 (Basis for the Establishment of the Rules)

The Rules are established in accordance with Article 182-1, Paragraph 2 of the Company Law of the ROC and by reference to the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies".

### Article 2 (The Sequence for Application)

Unless otherwise specified in laws and regulations or the Company's Articles of Incorporation (the "AOI"), the rules of procedures for shareholders' meeting of this Company shall be proceeded with in accordance with the Rules.

### Article 3 (Convening of the Shareholders' Meeting, Notice of the Meeting and Manual of the Meeting)

Unless otherwise specified in laws and regulations, the shareholders' meetings shall be convened by the Board.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) at least thirty (30) days prior to the convening date of the general shareholders' meeting or at least fifteen (15) days prior to the convening date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting manual and supplemental meeting materials and upload them to the MOPS at least twenty-one (21) days prior to the convening date of the general shareholders' meeting or at least fifteen (15) days prior to the convening date of a special shareholders' meeting. The Company shall also have prepared the shareholders' meeting manual and supplemental meeting materials and made them available for review by shareholders at any time. The meeting manual and supplemental materials shall also be displayed at the Company and its shareholder services agent as well as being distributed on-site at the meeting place at least fifteen (15) days prior to the convening date of a shareholders' meeting.

Notices and public announcements shall specify the reasons for the meeting, and the meeting notices may, as an alternative, be given by means of electronic transmission, upon

obtaining a prior consent from the recipient(s) thereof.

The election or discharge of directors, the amendment of this Company's Articles of Incorporation, the dissolution, merger, or spin-off of the Company, or the matters set forth in Article 185, Paragraph 1 of the Company Law, Article 26-1 or Article 43-6 of the Securities and Exchange Law, or Article 10-1 of Regulations Governing Share Repurchase by Listed and OTC Companies or Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified in the notices of the meeting, and may not be proposed as provisional motions.

#### Article 4 (Shareholders' Proposal Rights)

Shareholder(s) holding more than one percent (1%) of the total number of issued and outstanding shares of the Company may propose to the Company a proposal for discussion at the regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting where his proposal is to be discussed and shall take part in the discussion of such proposal.

Under any of the following circumstances, the Board of the Company may exclude the proposal submitted by a shareholder from the list of proposals to be discussed at a regular shareholders' meeting:

1. Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders;
2. Where the number of shares of the Company in the possession of the shareholder making the said proposal is less than one percent (1%) of the total number of outstanding shares at the time when the share transfer registration is suspended by the Company in accordance with the provisions set forth in Paragraph 2 or Paragraph 3, Article 165 of the Company Law; and
3. Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting shareholders' proposals.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set forth in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board at the shareholders' meeting to be convened.

**Article 5 (Attendance by Proxy and Authorization)**

A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company specifying therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the date scheduled for the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be in writing and filed with the Company two days prior to the date scheduled for the shareholders' meeting so as to rescind the proxy at issue, otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

**Article 6 (Principles regarding the Place and Time of the Meeting)**

Shareholders' meeting shall be held at the Company's premises or at a place that is convenient for shareholders to attend and suitable for holding such meetings. The meeting shall not start earlier than 9:00 am or later than 3:00 pm. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the Meeting.

**Article 7 (Shareholders' Attendance)**

The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting

commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The attending shareholders or their appointed proxies (hereinafter referred to as "shareholders") shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards or other certificates, and shall submit attendance cards in lieu of signing in. The Company shall not randomly require other forms of certificates for the admission to the Meeting; those persons soliciting proxy forms shall be required to present identification documents for checking identities.

The Company shall deliver manual for shareholders' meeting, annual report, attendance passes, speech notes, ballots and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors is to be held.

When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting; provided, however, that a legal entity serving as a proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.

#### Article 8 (Chairman of the Shareholders' Meeting and Observers)

If a shareholders' meeting is convened by the Board, the chairman of the Board shall be the chairman presiding at the meeting. If the chairman of the Board is on leave or cannot perform his duties for some reason, the vice chairman shall preside at the meeting on the chairman's behalf; if the Company does not have a vice chairman or the vice chairman is on leave or cannot perform his duties for some reason, the chairman of the Board shall designate an executive director to serve on his behalf. If there is no executive director, the chairman shall designate one director to act on his behalf. If the chairman has not appointed an agent, the executive directors or directors shall nominate among themselves to act on behalf of the chairman.

When an executive director or a director serves as chairman, as referred to in the preceding paragraph, the executive director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chairman.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the Chairman of the Company and attended by a majority of the directors, and the attendance of such meeting be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by any person entitled to convene the meeting other than the Board, such person shall be the meeting's chairman. If there is more than

one such person entitled to convene the meeting, those persons shall nominate amongst themselves to be the meeting's chairman.

This Company may appoint designated legal counsel, certified public accountants or relevant persons to attend the shareholders' meeting.

Article 9 (Video or Audio Recording of the Proceeding of the Meeting)

The Company, beginning from the time it accepts shareholder attendance registrations, shall record on uninterrupted audio and video tape the entire registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recording materials in the preceding paragraph shall be retained for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

Article 10 (Calculation of Numbers of Shares Attending the Meeting)

Attendance at Shareholders' meeting shall be determined based on the number of shares. The number of attending shares shall be calculated based on the attendance cards submitted by shareholders plus the number of the shares exercised by way of written form or electronic transmission.

The chairman shall announce the commencement of the meeting at the scheduled time of the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may announce postponement of the meeting; provided that, such postponement shall be limited to twice at the most and the meeting shall not be postponed for longer than one hour in aggregate. If after two such postponements the numbers of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the adjournment of the meeting.

If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent one-third of all issued and outstanding shares, provisional resolutions may be adopted in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month.

If the attending shareholders have constituted more than on-half of all issued and outstanding shares by the end of the meeting, the chairman may re-submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.

#### Article 11 (Discussion of the Proposals)

The agenda of the shareholders' meeting shall be set by the Board if the meeting is convened by the Board. The meeting shall be conducted based on the agenda, which may not be changed without resolutions adopted at shareholders' meetings.

The above provision applies mutatis mutandis to cases where the meeting is convened by any person, other than the Board, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairman may not announce adjournment of the meeting earlier unless the agenda (including provisional motions) under the preceding two paragraphs are concluded. If the chairman announces the adjournment of the meeting in violation of the Rules, other members of the Board shall promptly assist the attending shareholders to elect, by a majority of votes represented by attending shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

The proposal raised by provisional motion must be in writing. For discussion of the proposals, if necessary, the chairman may deliver the proposal to the Board for resolution and then discuss it at the next shareholders' meeting.

When the chairman at a shareholders' meeting is of the opinion that a matter has been sufficiently discussed to a degree of that it can be decided by voting, the chairman may announce the discussion closed and bring the matter to vote.

#### Article 12 (Speeches of Shareholders)

When a shareholder attending the meeting wishes to speak, a speech note shall be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any attending shareholder at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the content of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.

For the same proposal, each shareholder shall not speak twice without the chairman's consent, with five minutes in maximum for each speech. The chairman may stop the speech of any shareholder who violates the above rules or exceeds the scope of the agenda or influence the order of the meeting or announce suspension of discussion to proceed other agendas or procedures immediately.

Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder; otherwise the chairman shall stop

such interruption.

When a legal-entity shareholder has appointed two or more representatives to attend the meeting, only one representative can speak for each proposal.

The chairman may respond himself/herself or designate another person to respond after the speech of attending shareholder.

#### Article 13 (Calculation of Voting Shares and Conflict of Interest)

Voting at a shareholders' meeting shall be based on numbers of shares.

The shares of shareholders with no voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions.

If there is a concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the meeting, such shareholder may not participate in voting and may not represent another shareholder to exercise his or her voting rights, except for the purposes of promoting Company's operation system or strengthening Company's competitiveness or other relevant matters pursuant to Business Mergers and Acquisition Law and other applicable rules and regulations.

Shares for which voting right cannot be exercised as provided in the preceding paragraph shall not be counted in the number of votes of shareholders present at the meeting.

#### Article 14 (No Voting Rights)

The shares shall have no voting right under any of the following circumstances:

1. The share(s) of a Company that are held by the issuing Company itself in accordance with the laws;
2. The shares of a holding Company that are held by its subsidiaries, where the total number of voting shares or total shares equity held by the holding Company in such a subsidiary represents more than one half of the total number of voting shares or the total shares equity of such a subsidiary; or
3. The shares of a holding Company and its subsidiaries that are held by another Company, where the total number of the shares or total shares equity of that Company held by the holding Company and its subsidiaries directly or indirectly represents more than one half of the total number of voting shares or the total share equity of such a Company.

#### Article 15 (Restrictions on Voting Right)

Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy right of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights;

if it does exceed 3%, the excess portion shall not be counted.

The voting right exercised by mutual investment companies who know the fact of mutual investment may not exceed 3% of total issued voting shares or the total share equity of the invested Company. However, shares obtained as a result of distribution of surplus earnings or capitalization of legal reserves may be subject to exercise of voting rights.

When Company advises other companies pursuant to Article 369-8 of the Company Law, the exercise of rights in shares shall not be restricted by the preceding paragraph in the event no similar notice is obtained from the other Company or being aware of the facts of mutual investment.

Unless otherwise specified in the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, the number of proxy shares of a solicitor shall not exceed 3% of total issued shares of the Company.

In case a director of the company has pledged his/her/its shares more than half of the company's shares being held by him at the time he is elected, the excessive portion of the shares shall not be exercised and the excessive portion of the shares shall not be counted in the number of votes of the shareholders present at the meeting.

#### Article 16 (Voting of Proposal, Methods for Checking and Counting Ballots)

Each shareholder is entitled to one vote for each share held. The above provision shall not apply to those persons whose voting rights are restricted or who have no voting rights.

Unless otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. When voting is proceeded, after the chairman or its designated person announcing total voting rights of the attending shareholders, shareholders shall proceed with voting on case-by-case basis. The company shall transmit the results of shareholders' approval, disapproval and waiver of his/her/its voting right into the MOPS on the day of shareholders' meeting.

If the same agenda has an amended or substitute agenda, the chairman shall decide the sequence of voting for such agenda; provided that if any one of them has been approved, the others shall be deemed vetoed and no further voting will be required.

The chairman shall appoint voting inspector and vote counting personnel during votes on proposals; provided, however, that an inspector must also be a shareholder.

Vote counting for shareholders meeting proposals or elections shall be conducted publicly at the meeting venue. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

If a shareholder holds shares for others, such shareholder may exercise his/her/its voting power separately.

Regulations governing the qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately in the preceding paragraph shall be prescribed by the competent authority in charge of securities affairs.

#### Article 17 (Exercise of Voting Right in Writing or by Electronic Transmission (1))

The voting right at a shareholders' meeting shall be exercised by way of electronic transmission or in writing , provided, however, that the method for exercising the voting right shall be described in the shareholders' meeting notice to be given to the shareholders if the voting right will be exercised in writing or by way of electronic transmission.

A shareholder who exercises his/her/its voting right at a shareholders meeting in writing or by way of electronic transmission as set forth in the preceding Paragraph shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting right in respect of any provisional motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. It is therefore advisable that the Company avoids proposing any provisional motion and amendment to the original proposals.

#### Article 18 (Exercise of Voting Right in Writing or by Electronic Transmission (2))

In case a shareholder elects to exercise his/her/its voting right in writing or by way of electronic transmission, his/her/its declaration of intention shall be served to the Company no later than two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised his/her/its voting right in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, at least two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting right, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting right under the preceding Paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting right exercised in writing or by way of electronic transmission shall prevail.

In case a shareholder has exercised his/her/its voting right in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders'

meeting in his/her/its behalf, then the voting right exercised by the authorized proxy for the said shareholder shall prevail.

#### Article 19 (Election)

If the election of directors is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Procedures for the Election of Directors , and the results must be announced at the meeting, which include the names of those elected as directors and the numbers of votes with which they were elected.

The ballots cast in the election in the foregoing paragraph must be sealed up with signature by the voting inspector, given proper safekeeping and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

#### Article 20 (Minutes of the Meeting and Signature)

Resolutions made at a shareholders' meeting shall be stated in the meeting minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.

The delivery of the minutes of meeting may be made by means of public announcement made through the MOPS..

The compilation and issuance of the minutes of meeting in the preceding paragraph may be made electrically.

The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of resolutions. The minutes of shareholders' meeting shall be preserved for the duration of the existence of the Company.

#### Article 21 (Public Announcement)

The Company shall, on the day of the meeting, compile the number of shares obtained by solicitors and the number of shares represented by proxies in statistical tables in the specified format, and shall post such tables in prominent locations within the meeting place.

If any resolutions made by a shareholders' meeting are material information pursuant to applicable laws and regulations or the Taiwan Stock Exchange Corporation's regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

#### Article 22 (Maintenance of the Order of the Meeting Place)

Persons handling affairs of the meeting shall wear identification cards or arm badges.

The chairman may order disciplinary officers or security guards to assist in keeping order in the meeting place. Such disciplinary officers or security guards shall wear arm badges or identification cards marked "Disciplinary Personnel" when assisting in maintaining order in the meeting place.

If the meeting place is equipped with loudspeaker equipment, the chairman shall stop any shareholders using equipment not installed by the Company from speaking.

The chairman shall direct disciplinary officers or security guard to escort any shareholders who violate these Rules and Procedures and fail to heed the chairman's correction, or disrupt the proceeding of the meeting and fail to desist, to leave the meeting place.

#### Article 23 (Recess, Resumption of the Meeting and Adjournment of the Meeting)

During the meeting, the chairman may, at his discretion, set time for recess. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set forth in the shareholders' meeting ( including provisional motions ) are concluded, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

The shareholders may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Law.

After the shareholders' meeting's schedule is completed, the chairman may announce the adjournment of the meeting.

#### Article 24 (Amendments and Implementations)

These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in case of amendments.