



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

## **Remuneration and Nomination Committee Charter**

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### **Article 1 Basis for the Establishment of the Charter**

The Charter (hereinafter, “Charter”) of the Remuneration and Nomination Committee of the Company (hereinafter, “the Committee”) is enacted in accordance with Article 14-6 of the Securities and Exchange Act, Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose Stock is Listed on the Stock Exchange or Traded Over the Counter (hereinafter, the “Regulations”) and Paragraph 3, Article 25 of the Articles of Incorporation. The purposes of the Committee are to facilitate regular review of performance assessment and compensation policies, systems, standards and structures for directors and managers; support regular evaluation and determination of compensation package for the Company’s directors and managers as well as chairmen, vice chairmen and presidents of subsidiaries; and assist the Board of Directors with the nomination and review of director candidates for the Company and director/supervisor candidates for subsidiaries.

### **Article 2 Scope**

The composition of the Committee members, the size, tenure, authority, conference rules the Committee, and resources to be provided by the Company when the Committee exercises its duty shall proceed in accordance with the Charter. Any matter that is not provided under the Charter shall be governed by relevant regulations, instructions of competent authority and other rules of the Company.

### **Article 3 Composition of the Committee**

Committee members shall be appointed by the Board of Directors through resolution. The Committee shall have at least three members, at least half of its members shall be independent directors, and one of the members shall serve as convener or chairman of meetings.

The qualification and restriction of the Committee members shall be in compliance with Article 5 and 6 of the Regulations.

Tenure of Committee members shall end at the same time as that of the Board of Directors, and the members may be reelected.

If the number of Committee members is reduced below three for any reason, the Board of Directors shall hold a meeting within 3 months from the date of occurrence of the event to appoint a replacement. However, if the shortfall is caused by a dismissal of independent directors and no other independent director remains, the Company may appoint persons other than independent directors to assume the role of Remuneration Committee member until new independent directors are elected to assume the role.

#### **Article 4 Scope of Duty**

The Committee shall exercise the duty care of a good administrator and have the loyalty in conducting the duties listed below, and shall submit its recommendations for deliberation by the Board of Directors:

1. Prescribing and periodically reviewing the policies, systems, standards, and structures for performance evaluation and remuneration for directors, and managerial officers.
2. Periodically evaluating and prescribing the remuneration of directors, managerial officers, and for their job positions at the Company's subsidiaries.
3. Regularly review and determine compensations for subsidiaries' chairmen, vice chairmen and presidents, and compensation for their concurrent positions in the Company and in other subsidiaries.
4. Establish a set of director election standards after taking into account the required experience, expertise and independence, and refer to the Board of Directors for the final resolution.
5. Recommend to the Board of Directors suitable director candidates for the Company and director/supervisor candidates for subsidiaries.
6. Recommend to the Board of Directors the list of members for various functional committees except its own. However, composition of the Audit Committee is subject to comply with laws. Members of each functional committee shall serve the same term as directors, renewable if re-elected.
7. Establish and regularly review performance evaluation policies and indicators that are applicable to the Board of Directors and functional committees.
8. Communicate regularly with senior managers on performance evaluation and development plans.
9. Other issues deemed material by the Company or the authority.

When exercising duties under the preceding paragraph, the Committee shall follow the principles listed below:

1. With respect to the performance assessments and remuneration of directors and managerial personnel of the Company, the Committee shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.
2. The Committee shall not propose incentive for directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.
3. The Committee shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonuses for the short-term performance of its directors and senior management and the

time at which the variable part of remuneration is paid.

"Remuneration" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. The scope of which shall be consistent with that set out in the "Regulations Governing Information to be Published in the Annual Reports of Public Companies" in connection with remuneration for directors and managerial officers.

When presenting compensation proposals to the Board of Directors, the Committee shall take into consideration the level of remuneration proposed, the method of payment, and risks that the Company may be prone to in the future.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the Board of Directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the Board of Directors for deliberation.

#### **Article 5 Procedures of the Meeting**

The Committee meetings shall be convened at least twice a year, and may be convened when needed.

When calling a meeting, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each member at least 7 days in advance. In emergency circumstances, however, the meeting may be convened at short notice.

When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director of the Committee designated by the convener. If the convener does not designate a deputy, other members of the Committee shall elect one deputy among themselves.

The Committee may invite directors, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel to attend meetings as non-voting participants and provide relevant necessary information.

#### **Article 6 Meeting Agenda**

The Committee meeting agenda shall be drawn up by the convener. Other members may also submit motions for deliberation by the Committee. The meeting agenda shall be provided to the Committee members in advance.

#### **Article 7 Attendance and Resolution**

When Committee meeting is held, the Company shall provide an attendance book for signature by the members attending the meeting and thereafter make available for

reference.

Committee members shall attend meetings in person; a member who cannot attend in person may appoint another member to attend as the proxy. Attendance via visual communication network is deemed as attendance in person.

A Committee member appointing another member to attend the Committee meeting in his or her place, shall in each time, issue a written proxy stating the scope of authorization with respect to the reasons for convening the meeting.

A resolution of the Committee shall require the approval of one-half or more of all of the members. During voting, if the Committee chair solicits and receives no dissents, the motion is deemed passed, with equivalent enforceability as a resolution by vote. The results of voting shall be made known immediately, and recorded in writing.

A proxy designated under the preceding three paragraphs may act as a proxy for one person only.

### **Article 8 Meeting Minutes**

Meeting minutes shall be prepared to record discussions at Committee meetings, and the matters listed below shall be recorded in the minutes in detail and accurate manner:

1. Session, time, and place of the meeting.
2. Name of the chairman of the meeting.
3. Member attendance, specifying the names and number of members in attendance, excused, and absent.
4. Names and titles of those present at the meeting.
5. Name of minutes taker.
6. Reporting Matters.
7. Discussion Matters: the resolution method and outcome of each motion, the names of committee members involved in the discussion of compensation or nomination-related matters that concern their own interest (as mentioned in Article 9), details of compensation/nomination proposed by the above parties, their recusal from discussion, and a summary of comments, objections or reservations expressed by any committee member, expert or participants.
8. Ad Hoc motion(s): the name of the proposer, the resolution method and outcome of the motion, the names of committee members involved in the discussion of compensation or nomination-related matters that concern their own interest (as mentioned in Article 9), details of compensation/nomination proposed by the above parties, their recusal from discussion, and a summary of comments, objections or reservations expressed by any committee member, expert or participants.
9. Other matters required to be recorded.

Where there is any record or written statement of the objection or reservations made

by members regarding the resolution of the Committee, in addition to being stated in the minutes, they shall, within 2 days from the date of occurrence of the event, be publicly announced and reported on the information reporting website designated by the competent authority.

The attendance sheet for Committee meetings is a part of the meeting minutes.

The minutes shall be signed or sealed by the chairman of the meeting and minutes taker and shall be delivered to Committee members within 20 days after the meeting.

The meeting minutes shall also be submitted to the Board of Directors, kept as important files of the Company and preserved for 5 years.

Where there is any litigation relating to the matters of the Committee prior to the expiration of the preservation term, the minutes shall be preserved until the end of the litigation.

Preparation and delivery of the meeting minutes as set forth in paragraph 1, may be conducted via electronic methods.

The video information of the meeting held via visual communication network is also a part of the meeting minutes.

#### **Article 9 Review Recusal**

Committee members are required to provide explanations during meeting if the compensation or nomination discussed concerns their own interest. Committee members shall disassociate from all discussions and voting if their interests are in conflict with the Company's interests. In addition, the member may not exercise voting rights on behalf of other members of the Remuneration and Nomination Committee. A committee member would be considered to hold self interest in a topic raised in the meeting if the member's spouse, 2nd-degree direct relative or closer, or any of the member's controlled or controlling entities holds stake in the said topic.

If, for the reason stated in the preceding paragraph, an agenda item cannot be resolved at a Committee meeting, it shall be reported to the Board of Directors, which shall resolve on the item.

#### **Article 10 Resources provided by the Company**

The Remuneration Committee may by resolution, at the cost of the Company, engage an attorney, certified public accountant, or other professional to conduct a necessary audit or provide advice with respect to any matter related to the exercise of the Committee's powers.

#### **Article 11 Regular Review**

The Committee shall review the relevant matters of the Charter, and submit to the Board of Directors for deliberation after filing to the Corporate Governance and

Sustainability Committee for discussion.

#### **Article 12 Committee's Delegation**

The execution of tasks relating to matters resolved by the Committee may be delegated to the convener or other committee members for follow-up, with a written 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 13 Enforcement**

The Charter shall become enforceable after they are resolved by the Board of Directors; the same procedures shall apply to subsequent amendments.



## Appendices: Revision History

<b>Version</b>	<b>Date of approval</b>	<b>Date of effect</b>	<b>Level of approval authority</b>	<b>Remarks</b>
01	8/19/2011	8/19/2011	Board of directors	The 01 meeting of the 05 board (Regular)
02	10/26/2012	10/26/2012	Board of directors	The 08 meeting of the 05 board(Regular)
03	1/21/2014	1/21/2014	Board of directors	The 15 meeting of the 05 board (Regular)
04	7/4/2014	7/4/2014	Board of directors	The 02 meeting of the 06 board (Extraordinary)
05	1/28/2016	1/28/2016	Board of directors	The 09 meeting of the 06 board (Regular)
06	11/21/2019	1/1/2020	Board of directors	The 14 meeting of the 07 board(Regular)
07	8/20/2020	9/1/2020	Board of directors	The 01 meeting of the 08 board (Regular)