



**Fubon Financial Holding Co., Ltd.**  
**Rules Governing Procedures for**  
**Meeting of Board of Directors**

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

In order to establish effective corporate governance for the Board of Directors, enhance supervisory functions and strengthen management functions, the Rules are stipulated for compliance pursuant to Article 2 of Regulations Governing Procedures for Board Meetings of Public Companies.

### **Article 2 (Scope of the Rules)**

The major agenda, operational procedures, matters required to be stated in the minutes of meeting, public announcements and other compliance requirements of the Board of Directors shall be handled in accordance with the rules and procedures set forth below.

### **Article 3 (Convening of the Board Meeting and Notice of the Meeting)**

The Board of Directors' meeting shall be convened each quarter.

Notices of the board meeting shall specify the reasons for the meeting and shall be served to each director and supervisor at least 7 days before the date scheduled for the meeting. In case of an emergency, a special board meeting may be held at any time.

The notice set forth in the preceding Paragraph may be effected through electronic means, after obtaining a prior consent from the recipient(s) thereof.

All matters set forth in Article 12, Paragraph 1 of the Rules, except for emergency or with proper reasons, shall be specified in the notice of the meeting and may not be proposed as provisional motions.

### **Article 4 (Meeting Notice and Meeting Material)**

The secretary department, as designated by the Board of Directors, is the meeting administrative unit for the board meetings.

The meeting administrative unit shall prepare agenda items for a board meeting and shall provide sufficient pre-meeting materials, to be sent together to each director and supervisor with the meeting notice.

If a director considers the pre-meeting materials inadequate, he/she may request the meeting administrative unit to make necessary supplements. If a director considers materials concerning any proposals insufficient, meeting shall be postponed by a resolution of the Board of Directors.

#### **Article 5 (Preparation of Attendance Book and Proxy of the Directors)**

When this Company convenes a Board of Directors' meeting, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

Director shall attend the board meeting in person. If a director is unable to attend the meeting in person, he/she may appoint one of the other directors to attend the meeting on his/her behalf in accordance with the Company's Articles of Incorporation. Attendance via video-conference is deemed as attendance in person.

A director who appoints another director to attend a board meeting on his/her behalf shall issue a power of attorney specifying the scope of power authorized in relation to the reasons for the meeting.

A proxy, as stated in the 2 preceding paragraphs, may only act for one director.

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

The Board of Directors' meeting shall be held at the Company's premises and during the business hours of the Company, or at a place and time convenient to directors and suitable for holding such meetings.

#### **Article 7 (Chairman of the Board and his Agent)**

Meetings shall be called and chaired by the chairman of the board. The first meeting of each newly elected Board of Directors shall be called and chaired by the director who received votes

representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.

If a board meeting is convened with the consent of more than half of the board under any of the conditions described in Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of The Company Act, the participating directors shall appoint one among themselves to serve as chairperson.

When the chairman of the board is on leave or cannot perform his duties for any reason, the vice chairman shall preside at the meeting on the chairman's behalf; if the vice chairman is also on leave or cannot perform his duties for any reason, the chairman 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.

#### **Article 8 (Reference Materials, Observers and Conveyance of the Meeting)**

The management department (or the meeting administrative unit designated by the Board of Directors) shall prepare relevant materials for the directors' reference at any time during the course of the meeting.

When holding a meeting, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting and provide explanations and these personnel shall leave the meeting during deliberation and voting. When necessary, the Company may also invite certified public accountants, attorneys, or other professionals to attend as non-voting observers and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chairman of the board shall announce the commencement of the meeting at the scheduled time of the meeting if over a majority of the directors is present. If less than a majority of the directors is present, the chairman may announce postponement of the meeting; provided, that, such postponement shall be limited to twice at most and the meeting shall not be postponed for longer than one hour in aggregate. If the quorum is still not constituted after two such postponements, the chairman shall re-convene the meeting in accordance with the procedures set forth in Paragraph 2, Article 3 of the Rules.

The term “all board members” as referred to in the preceding paragraph as well as in Subsection 2, Paragraph 2, Article 16, shall be calculated based on the number of directors then in office.

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

The Company shall make audio or video recordings of the entire proceedings of a Board of Directors' meeting, and shall keep the recordings for at least 5 years, in electronic form.

If, before the end of the above period referred to in the preceding paragraph, a lawsuit arises with respect to a resolution of a meeting, the relevant audio or video recordings shall continue to be kept, in which case the preceding paragraph does not apply.

Where a meeting is held via video-conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be kept permanently for the duration of the Company's existence.

#### **Article 10 (Agenda of the Meeting)**

Agenda for a regular board meeting shall include at least the following:

1. Reporting Matters:

- (1) Minutes of the last meeting and actions being taken.
- (2) Major financial business report.
- (3) Internal audit activities report.
- (4) Other important matters to be reported

2. Discussion Matters:

- (1) Agenda discussed during the last meeting and carried into the current session.
- (2) Agenda for discussion at this meeting.

3. Ad Hoc motions.

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

The Board of Directors' meeting shall be conducted based on the agenda stated in the meeting notice. However, the agenda may be changed with the approval of over a majority of directors present at the meeting.

The chairman of the meeting may not announce meeting adjourned earlier unless the agenda under the preceding paragraph as well as provisional motions were approved by a majority of directors present at the meeting.

If the number of attending directors falls below half at any time during the preceding of a meeting, then upon motion by the directors present at the meeting, the chairman shall declare a temporary cease of the meeting, and in which case Paragraph 3, Article 8 shall apply mutatis mutandis.

## **Article 12 (Matters Required to be Discussed by the Board)**

The following matters shall be submitted to the Board of Directors' meeting for discussion:

1. Business plan.
2. Annual report signed or sealed by Chairman, manager and chief account, and second-quarter financial reports audited by CPA.
3. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (the "SEA").
4. Adoption or amendment, pursuant to Article 36-1 of the SEA, of the rules regarding handling procedures for material business or financial activities, including acquisition or disposal of assets, derivatives trading, extension of credits to others and providing endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-linked securities.
6. The appointment or discharge of a financial, accounting, risk management, legal compliance, internal audit and corporate governance Officer.
7. Performance evaluation standards and remuneration standards for managers and directors' remuneration structure and system.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to

the following Board of Directors' meeting for retroactive recognition.

9. Any material matter required by Article 14-3 of the SEA, any law, regulation, articles of incorporation or by the competent authority to be approved by the shareholders' meeting or to be submitted to the Board meeting.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a one-year period to a single recipient, in an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a one-year period" in the preceding paragraph means a period of one year calculated retroactively from the date on which the current Board of Directors' meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

If the Board of Directors decline to adopt or modify a recommendation of the Compensation Committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, and its resolution shall explain whether the remuneration passed by it exceeds the recommendation of the Compensation Committee.

With respect to a matter required by Article 14-3 of the SEA to be submitted to the Board of Directors' meeting, each independent director shall attend the meeting in person or be represented by another independent director with proxy. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to act otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

### **Article 13 (Voting (1))**

When the chairman at a Board of Directors' 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.

When a matter comes to a vote at a Board of Directors' meeting and no director voices an objection upon inquiry by the chairman, the matter is deemed approved. A proposal shall be put to vote if there is any objection after inquiry by the chairman.

The voting method shall be chosen by the chairman from any of the following; provided, that, if there are objections raised by the attendants, the chairman shall determine the voting method with support from a majority of the directors.

1. Voting by show of hands or voting machines
2. Roll call voting
3. Voting by ballots
4. Other voting process chosen by the Company.

Directors present at the meeting mentioned in paragraph 2, does not include directors prohibited from exercising voting rights pursuant to Article 15, paragraph 1.

#### **Article 14 (Voting (2) and Methods of Checking and Counting Ballots)**

Unless otherwise specified in the SEA or in the Company Act, a resolution on a matter at a Board of Directors' meeting requires the approval of a majority of the directors present at the meeting that has more than half of the board present.

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

If voting inspector and vote counting personnel are necessary, the chairman may designate such personnel; provided, however, that an inspector must also be a director.

The result of voting shall be announced at the meeting and recorded.

#### **Article 15 (System Regarding Conflict of Interest)**

A director is prohibited from participating in discussion of or voting on an agenda in which the director or the juristic person that director represents is an interested party, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

The Company's shareholders, directors, supervisor(s) and other interested parties may make request for a director's abstention in regards to a particular motion. The Board of Directors shall resolve on whether the respondent shall abstain. Prior to the board resolution, the respondent may not vote in such motion.

With respect to a resolution at a meeting, the provisions of Article 180, paragraph 2, of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3, of that Act, shall apply in cases where a director is prohibited by the preceding paragraph from exercising voting rights.

#### **Article 16 (Minutes of the Meeting and Signature)**

The Board resolutions shall be stated in the meeting minutes. The meeting minutes shall state the following matters:

1. Session (or year), time, and place of the meeting.
2. Name of the chairman.
3. Attendance of directors at the meeting, specifying the names and number of directors present, excused and absent.
4. Names and titles of those attending the meeting as observers.
5. Name of the minutes recorder.
6. Matters to be reported.

7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions, objections or reservations expressed at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 5.
8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions, objections or reservations expressed at the meeting that were included in records or stated in writing.
9. Other matters required to be recorded.

Any of the following resolutions adopted at a Board meeting shall be stated in the meeting minutes and within 2 days of the meeting be published on the Market Observation Post System Website designated by Financial Supervisory Commission.

- (i) The objection or reservation of any opinion of the independent directors shall be recorded or stated in writing.
- (ii) Any matters disapproved by the Audit Committee, but approved by over two-thirds of all directors.
- (iii) Where the remuneration approved by the Board of Directors is higher than the recommendation of the Compensation Committee.
- (iv) The Board of Directors discusses proposals of mergers and acquisitions.

The attendance book forms a part of the meeting minutes and shall be kept permanently for the duration of the Company's existence.

The minutes of a Board of Directors' meeting shall bear the signature or seal of both the chairman and the minutes recorder; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and kept properly as important Company records during the existence of the Company.

The production and distribution of the minutes of meeting set forth in the first paragraph shall be in electronic forms.

#### **Article 17 (Authorization of the Board)**

Except for the matters to be submitted for discussion by the Board of Directors pursuant to Paragraph 1, Article 12 of the Rules, during the recess of the Board of Directors' meeting, the Board of Directors, in accordance with laws and regulations and the Company's Articles of Incorporation, shall specify the levels of authorization, contents and matters in details; delegation of authorization is not permitted. However, resolutions shall still be made by the Board of Directors with regard to matters concerning significant interests of the Company.

Pursuant to the Company's Articles of Incorporation or the nature of the proposals, the Board of Directors shall deliver proposals to each functional committee for discussion before reporting to the Board of Directors for discussion.

#### **Article 18 (Appendix and Date of Enforcement)**

The amendments or revisions to the Rules are subject to approval of the Board of Directors, and shall be reported at the shareholders' meeting. The Board of Directors may be authorized to adopt, by resolution, any future amendments to the Rules.

## Appendix: 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	4/14/2003	4/14/2003	Board of directors	The 02 meeting of the 23 board
02	12/8/2006	12/8/2006	Board of directors	The 03 meeting of the 17 board
03	3/25/2008	3/25/2008	Board of directors	The 03 meeting of the 25 board
04	4/28/2010	4/28/2010	Board of directors	The 04 meeting of the 08 board
05	3/23/2012	3/23/2012	Board of directors	The 05 meeting of the 04 board
06	2/1/2013	2/1/2013	Board of directors	The 05 meeting of the 09 board
07	1/28/2016	1/28/2016	Board of directors	The 06 meeting of the 09 board
08	8/24/2017	8/24/2017	Board of directors	The 07 meeting of the 01 board
09	4/26/2018	4/26/2018	Board of directors	The 07 meeting of the 05 board
10	11/22/2018	12/10/2018	Board of directors	The 07 meeting of the 08 board (Regular)
11	11/21/2019	12/1/2019	Board of directors	The 14 meeting of the 07 board (Regular)