



Fubon Financial Holding Co., Ltd. The Equity Management Rules for Insider and Employee

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Article 1 (Purpose of the Rules)

This Equity Management Rules for Insider and Employee (this “Rules”) is set out in accordance with relevant regulations for the purpose of strengthening equity management for an insider and maintaining the principle of equal access of information with investors.

Article 2 (Definition and Scope of the Insiders)

The Rules are applicable to the Company and its subsidiaries.

Article 3 (Equity Management Rules for the Insider)

The term "insider" as used in this Rules shall mean the directors, supervisors, managers of the Company, or shareholders who own more than ten percent (10%) of the total outstanding shares of the Company. The shares of the Company held by the insider shall include shares held by their spouse, underaged children and those held by a third party for the insider.

Under the relevant rules of the Financial Holding Company Act, when the Company owns 100% outstanding shares or whole capital amount of the other company or financial institution by means of share swap or business transfer, the directors, supervisors, managers of such company or financial institution, which becomes 100% owned subsidiary of the Company in accordance with the Financial Holding Company Act, should file a report of his or her shareholding with the competent authority in accordance with Article 3 of this Rules. The preceding paragraph should also apply to their spouse, underaged children and the third party who holds shares for them and the legal representative of the said company or financial institution, (including such legal representative’s spouse, underaged children and the third party who holds shares for the legal representative).

Article 4 (Equity Management Rules for the Insider)

The insider should comply with relevant regulations and this Rules for the following matters :

1. To file a report with the competent authority before transferring his or her shares of the Company
 - (1) to transfer to a non-specific person following approval from or an effective filing with the competent authority.
 - (2) to transfer, at least three (3) days following the filling with the competent authority,

on a centralized stock exchange market or the over-the-counter market, shares that have satisfied the holding period requirement and within the daily transfer allowance ratio prescribed by the competent authority, except in situations where shares transferred is less than 10,000 share per trading day. The transfer period filed shall not exceed one (1) month, provided that the filing shall be re-submitted where the transfer period is expired.

- (3) to transfer, within three (3) days following the filing with the competent authority, by means of private placement to designated persons satisfying the qualifications prescribed by the competent authority.

2. Periodical Filing

The insiders shall file, by the fifth (5) day of every month, a report with the Company of the changes in the number of shares they held during the preceding month. The Company shall compile and file such report of changes with the competent authority by the fifteenth (15) day of every month. The change of shareholding which needs to be filed according to this paragraph refers to the number of shares being acquired and transferred, rather than the number after netting.

3. Filing for Share Pledge and Pledge Release

Where the insider pledges the shares of the Company, the insider shall immediately notify the Company; the Company shall then inform the competent authority of such pledges within five (5) days of such formation and publicly announce such pledge. Furthermore, where the insider pledges the shares of the Company with a financial institution and before such financial institution disposes the pledged share, the insider shall also adopt the same procedures as prescribed in subparagraph 1 of paragraph 1 of this Article to file the report of the shares transferred.

4. Selling Restrictions During the Implementation Period of the Treasury Shares

The insider of the Company, the subsidiary of the Company or the Company's affiliates defined under Article 369-1 of the Company Act shall not sell their shares, including those shares held by their spouse, underaged children and a third party for the insider, during the period that the Company buys back its shares from the centralized stock exchange market or the over-the-counter market.

5. Restriction on Short-term Trading

If the insider sells the Company shares within six (6) months after its acquisition or repurchases the shares within six (6) months after its sale, the Company shall claim for the disgorgement of any profit realized from such sale and repurchase. The term “shares” used in this paragraph shall also include the other securities with equity nature issued by the Company.

6. Restriction on Insider Trading

Upon actual knowledge of any information that will have a material impact on the price of the Company’s shares, an insider, a person who has only lost his or her status as an insider within the last six (6) months, a person who has the occupational or controlling relationship with the Company or a person who has learned such information from any of the said persons in the preceding paragraph, shall not sell, in the person's own name or in the name of others, the Company’s shares or securities with equity in nature that are listed on a stock exchange or an over-the-counter market within eighteen (18) hours after the information is precise, and prior to the public disclosure of such information. Persons in violation of the preceding paragraph shall be held liable, to trading counterparts who on the day of the violation undertook the opposite-side trade with bona fide intent, for damages in the amount of the difference between the buy or sell price and the average closing price for ten (10) business days after the date of public disclosure. The court may also triple the damages payable by the said violators should the violation be of a severe nature. The persons who has learned such information from the person referred to in the preceding paragraph shall be held jointly and severally liable with the said persons who provide the information for the damages as referred to in the preceding paragraph.

Article 5 (Minimum Shareholding Obligation by Directors and Supervisors)

According to relevant regulations, the total shares held by the directors and supervisors of the Company shall not be less than respective specified percentages of its total issued shares as follow:

1. Where the minimum percentage of the registered shares is not met as required by the competent authority upon election, all the directors or supervisors as elected by the shareholder meeting shall make the rectification.
2. If during their term of office, any directors or supervisors transfer their shares, or

leave their office causing the minimum percentage of the shareholding to not be met, all the directors or supervisors shall make the rectification.

3. The shareholding of independent directors shall not be counted in the total minimum shareholding as stipulated in this Article.

Article 6 (the Filing Obligation of Major Shareholders of the Financial Holding Company)

A same person or same concerned person who holds the Company's outstanding voting shares as prescribed below shall file a report in accordance with this Article with the competent authority.

1. The scope of definition of a same person or same concerned person and the calculation method of the Company's outstanding voting shares held by such person.

(1) The "same person" shall mean the same natural person or legal entity.

(2) The "same concerned person" shall mean persons related to the same natural person or legal entity.

A. The scope of the persons related to the same natural person.

- a. The principal, his or her spouse and relatives by blood within the second degree of kinship.
- b. An enterprise in which the persons referred to in the preceding subparagraph hold more than one third (1/3) of its outstanding voting shares or more than one third of its capital stock.
- c. An enterprise or a foundation in which the persons referred to in subparagraph (a) hereof act as its chairman, president or directors representing the majority of directors.

B. The scope of the persons related to the same legal entity.

- a. The same legal entity and its chairman and president as well as the spouse and relatives by blood within second degree of kinship of the chairman and president.
- b. Enterprises in which the same legal entity and natural persons referred to in the preceding subparagraph hold more than one third (1/3) of their outstanding voting shares or capital stock, or enterprises or foundations in which the same legal entity and natural persons referred to in the preceding subparagraph act as their chairman, president or directors

- representing the majority of directors.
 - c. The affiliates of the same legal entity.
- C. The term “affiliates” used in this Article shall mean an enterprise as described in Articles 369-1 through 369-3, Article 369-9 and Article 369-11 of the Company Law.
- D. A third party who holds shares of the Company on behalf of the same person or same concerned person in trust, by mandate or through other types of contract, agreement or authorization shall fall within the scope of the same concerned person.
2. Filing Procedure
- (1) Reporting requirements for any single party or any single related party with more than 5% shareholding interest:
- A. Any single party or single related party that individually, jointly, or aggregately hold more than 5% of the Company's outstanding voting shares are required to report to the authority within 10 days from the day the 5% threshold is met, and for every increase or decrease exceeding 1% above the 5% threshold thereafter.
 - B. Where the single party, single related party, or third party defined in Paragraph 4, Article 16 of the Financial Holding Company Act is a corporate entity, the following parties shall also be included in the report:
 - a. Natural persons directly or indirectly holding more than 25% shares or capital in the corporate entity.
 - b. Natural persons that do not meet the description of the preceding Subparagraph but are granted control over the corporate entity through arrangements such as mandate, contract, agreement, or authorization.
 - c. Natural persons that do not meet the descriptions of the preceding 2 Paragraphs, but exercise decision-making authority over the corporate entity.
 - d. Where the corporate entity is a trustee of a trust arrangement, the trustor, trust supervisor, beneficiary, and any party that has effective control over the trust account, or natural persons of equivalent or similar role as those mentioned above.
 - e. Where the corporate entity is directly or indirectly controlled through trust, the trustor, trustee, trust supervisor, beneficiary, and any party that has effective control over the trust account, or natural persons of equivalent or similar role as those mentioned above.
 - C. Where the single party, single related party, or third party defined in Paragraph

- 4, Article 16 of the Financial Holding Company Act is a corporate entity, reporting requirements of the preceding Paragraph may be exempted if the corporate entity's controller is identified as any of the following:
- a. A government agency of the Republic of China.
 - b. A state-owned enterprise of the Republic of China.
 - c. A foreign government agency.
 - d. A public-listed or OTC-traded company in a foreign country that is bound by laws of the listed country to disclose its major shareholders, and any subsidiary of that company.
 - e. A financial institution under the supervision of the Republic of China, and any investment instruments managed by the institution.
 - f. A financial institution established outside the Republic of China that is subjected to the same anti-money laundering and counter terrorism financing standards created by Financial Action Task Force (FATF), and any investment instruments managed by the financial institution.
 - g. A fund managed by a government agency of the Republic of China.
- (2) Reporting requirements for any single party or any single related party with more than 10% shareholding interest:
- A. Any single party or any single related party that intends to individually, jointly, or aggregately hold more than 10%, 25%, or 50% of the Company's outstanding voting shares are required to seek separate approvals from the authority before reaching the respective thresholds.
 - B. The Company shall, by the fifteenth (15) day of every month, file a report and make a public announcement on the MOPS of the changes in or pledge of shares during the preceding month held by the shareholder (means the same person or the same concerned person) who holds more than ten percent (10%) of the Company's share.

Article 7 (other Filing Obligations of the Shareholding)

When the Company issues new shares in response to the stock option of the employee stock warrants exercised by employees or the redemption or reissue of overseas depositary receipts, such employee or overseas depositary institution should, during the specific time period, file a related public announcement in accordance with the "Regulations Governing the Offering and Issuance of Overseas Securities by Issuers" via the website designated by the Financial Security Committee.

Article 8 (Supplementary)

Should any matters not be prescribed in this Rules, the relevant regulations shall apply.

Article 9 (Adoption, Enforcement and Amendment)

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

Attached: Revision Record

Version	Approval Date	Effective Date	Approval Level	Notes
01	2007/12/19	2007/12/19	President	-
02	2010/02/05	2010/02/05	Board of directors	The 07 meeting of the 04 board (Regular)
03	2011/08/19	2011/08/19	Board of directors	The 01 meeting of the 05 board (Regular)
04	2018/08/27	2018/08/27	Board of directors	The 07 meeting of the 07 board (Regular)
05	2019/10/23	2019/10/23	Chief of Legal & Compliance Division	因應章則制定作業辦法所為之格式修訂
06	2020/12/28	2021/01/05	Board of directors	The 03 meeting of the 08 board (Regular)