

 Taichung Commercial Bank Co., Ltd.

The 2023 Annual Meeting of Shareholders Annual Meeting Handbook

Time: 9:00 a.m. on May 15, 2023

Address: 10F, No. 87, Minquan Rd., W. District, Taichung City

Method for convening : Physical shareholder's meeting

Contents

I. Shareholders Agenda.....	2
II. Management Presentation (Company Reports).....	4
III. Proposals.....	37
IV. Discussions.....	41
V. Elections.....	127
VI. Questions and Motions	
VII. Appendix	
1. Independent Auditors' Report and financial statements.....	133
2. Company Corporate Charter (Articles of Incorporation).....	157
3. Rules of Procedure for Shareholder Meetings	172
4. Regulations Governing Selection of Directors	178
5. Shareholdings of Directors	181

Taichung Commercial Bank Co., Ltd.

The 2023 Annual Meeting of Shareholders Agenda

1. Report the number of shares represented by the attending shareholders and call the Meeting to Order
2. Chairperson Remarks
3. Management Presentation (Company Reports):
 - (1) The 2022 Business Reports
 - (2) Report on the review of 2022 Final Accounts by the Audit Committee and the communication situation with the internal audit supervisor and CPAs.
 - (3) Report on the 2022 distribution of remuneration to employees and directors.
 - (4) Report on the issuance of new shares of cash capital increase in 2022.
 - (5) Report on the construction progress of the new head office building and the implementation status of the financial budget.
 - (6) Report on the amendments of the Rules of Procedure for Board of Directors Meeting of the Company.
4. Proposals:
 - (1) The proposal of the 2022 Business Report and financial statements
 - (2) The proposal of the 2022 Earnings Distribution Statement
5. Discussions:
 - (1) Handling the issuance of new shares issued through capitalization of earnings in 2022.
 - (2) Amendments to provisions of the Company Corporate Charter (Articles of Incorporation) of the Company

- (3) Amendments to Rules of Procedure for Shareholders' Meeting of the Company
- (4) Amendments to Procedure for Handling Acquisition or Disposal of Assets of this Company

6. Election:

- (1) Election of 9 directors (including 4 independent directors) to the 25th Board of Directors.

7. Questions and Motions

8. Adjournment

(The above proposals were presented by the Company's relevant units to the Board for consideration)

Management Presentation (Company Reports)

Management Presentation (Company Reports) No. 1

The 2022 Business Reports (Please refer to Pages 6–11 of the Annual Meeting Handbook)

1. Business results for 2022

(1) Domestic and international financial environment in 2022

In 2022, the overall economy was affected by the two major events of COVID-19 and the Ukrainian-Russian War. Although the economic recovery after the pandemic was anticipated, the prices of international raw materials and energy soared with inflation remaining exceptionally high, which diluted the growth momentum of the global economy. In response to the rebound in consumer demand and the outbreak of hot money, all major economies adopted hawkish tightening monetary policies. The United States led the way to start a cycle of raising interest rates, and the central banks worldwide followed suit in succession to cool down the excessively high liquidity in the market and to stabilize the financial order. In addition, the chain collapse of cryptocurrencies has led to accelerated dumping and switching to low-risk assets by investors. Multiple factors caused market sentiment to be generally pessimistic. Taking a broad view of 2022, the overall economy underwent a massive shock.

On the other hand, the U.S. had raised interest rates a number of times to support the absolute dominance of the U.S. dollar, resulting in a global bear market. In addition, the breakout of the Ukrainian-Russian war at the beginning of the year triggered a series of geopolitical concerns, resulting in a sharp depreciation of the New Taiwan dollar. The Directorate General of Budget, Accounting and Statistics of the Executive Yuan announced that our country's annual economic growth rate in 2022 was 2.45%, with a GDP per capita of US\$32,811 and the economic growth forecast revised down; the comprehensive judgment score for the corresponding business monitoring indicator in December 2022 was 12, with the light signal continuing to be blue; the leading indicator and coincident indicator continued to appear to be declining, however, with the extent of the decline in the leading indicator continuing to shrink. The subsequent changes in the economic climate will still need to be closely watched. As the Ukrainian-Russian war came to stalemate, global inflation and interest rate hike pressures persisted, and the rapid spread of the pandemic in China, such situation deepened the risk of the global economic downturn. Subsequent developments still need to be carefully tracked and responded in a timely manner.

(2) Changes in the Bank's organizations

- 1) In order to shape a culture of treating customers fairly, we set up the “Treating Customers Fairly Committee” to oversee the treating customers fairly principles policy and strategy as well as the handling and improvement of major consumer disputes, and to review the implementation status of treating customers fairly, evaluation results, and other matters.
- 2) In order to strengthen the Bank's overseas layout and development plan and to enhance the Bank's global operation and management capabilities, the International Department was renamed “International Banking Department”, with the “Overseas Operations Management Section” and “Overseas Affairs Section” set up as its subordinate units to handle relevant overseas strategies drafting, operations management of overseas branches, and administrative support for general affairs.
- 3) The “International Anti-Money Laundering Section” was set up under the Legal & Compliance Department to supervise overseas branches over the implementation of anti-money laundering and countering the financing of terrorism operations so as to comply with local government regulations.
- 4) In order to comply with the inclusive financing policy, the Mailiao Branch was set up in Mailiao Township, Yunlin County in December 2022 so to provide locally diversified financial services as well as to promote the balanced urban and rural development.
- 5) In response to the government's new southbound policy, the Malaysia Labuan Branch Kota Kinabalu Marketing Office started its business in June 2022 to provide Taiwanese

businessmen with financing assistance, to assist in expanding overseas markets, and to deepen the new southbound economic and trade relationship.

- 6) The Representative Office in Ho Chi Minh City, Vietnam was granted the license by the country in November 2022 and is scheduled to operate the business in the first half of 2023.
- (3) Implementation results of the operational plan and operational strategy

- 1) Steady profit growth and consolidated capital structure

Benefiting from the strong interest rate hikes in the United States and the simultaneous shift of interest rate hikes by our country's central bank, the Bank's interest rate spread continued to expand. The net profit after tax at the end of 2022 was NT\$ 5.344 billion, and the after-tax earnings per share was NT\$ 1.12, both of which reached the record highs. In addition, the non-performing loan ratio was 0.15% at the end of 2022 with the coverage ratio being 850.67%, which indicates that the Bank still continues to focus on risk control and asset quality enhancement while pursuing profit growth. In order to increase working capital and consolidate the capital structure of the Bank, a cash capital increase in the amount of NT\$ 2.9375 billion in ordinary shares was completed in 2022. At the end of 2022, the capital adequacy ratio was 15.95%, the Tier 1 capital ratio was 14.03 %, and the common equity ratio was 12.01%.

- 2) Balance core businesses and create target customer value

In terms of corporate finance, we continued to cooperate in government policies to promote project financing for the six core strategic industries, startup industries, green energy industries, as well as reconstruction of unsafe and old buildings and urban renewal; in terms of consumer finance, we provided a number of specific high-quality customer groups with loans and green consumer loans, and optimized our online loan platform; and in terms of wealth management, we provided professional financial consulting and asset allocation in combination with the Bank's market analysis and investment strategies with a full understanding of customer needs.

- 3) Green finance for the common good to practice the concept of sustainability

In response to the international sustainable initiative, we signed up to become the supporter of TCFD, and introduced the ISO-14001 environmental management system and ISO-14064-1 greenhouse gas inventory system, all of which have been verified by the British Standards Institution. In response to the risks and opportunities of climate change, we incorporated climate change risks into the risk monitoring report and formulated relevant risk management mechanisms so to enhance the resilience of the Bank's climate governance; in addition, we integrated ESG factors into the review of credit extending, investment and products, using financial influence to lead enterprises to practice sustainable management goals.

- 4) Committed to treating customers fairly and achieving financial friendliness

Adhering to the brand spirit of “We Do Our Best For You”, we implemented the Bank's financial inclusiveness, launched a number of services such as the voice and call answering service by dedicated persons for the elderly, thoughtful video conferencing sign language, bilingual financial service, newly added multi-language interface for ATMs, and gradual setup of voice kits for the visually impaired, and continued to optimize the friendly aspects of the Bank's services, guidelines, facilities, etc. In addition, the customer service robot “Smart Taiwanese Girl” was used to obtain the required information at any time through interactive text chats and making inquiries, so that all customer groups can enjoy equal, reasonable and convenient financial experience.

- (4) Achievements and affirmations

“We Do Our Best for You” is the corporate brand spirit of the Bank, upholding

professional functions and caring services, at the same time cooperating with the government in promoting various important policies, continuously exploring various business opportunities, shattering and implementing the core concepts of “services, products, professionalism, customers, and public welfare” endowed therewith by the financial industry. With the concerted efforts of all colleagues, the Company won the recognition by all walks of life and the awards in 2022, as follows:

- 1) The Bank was ranked top 5% among the TWSE-listed companies by the 8th (2021) Corporate Governance Evaluation of the Taiwan Stock Exchange.
- 2) The Bank passed the 2022 Taiwan Intellectual Property Management System (TIPS) re-certification with Level A (subject matter: trademark and patent).
- 3) The Bank received the “Golden Security Award” given by the Joint Credit Information Center of to the outstanding institution in the implementation of credit information security control (having won the same award for 8 consecutive years from 2015 to 2022), and the “Golden Excellence Award” given to the excellent institution on the credit information inquiry.
- 4) The Bank won the “Excellent Award for the Growth of Credit Guarantee Financing Amount Submitted by New Southbound Countries” and the “Excellent Award for Credit Guarantee Submitted on COVID-19 Projects” given by the Overseas Credit Guarantee Fund (Taiwan).
- 5) The Bank was selected the excellent performance bank for the 5th phase of the “New Southbound Policy Target Countries Credit Extending Program” by the Financial Supervisory Commission.
- 6) The Bank won the “Excellent Performance Award for Debt Collection of Credit Guarantee Cases” by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan.
- 7) The Bank won the ranking of “Top 5000 Large-scale Enterprises in Taiwan” by China Credit Information Service, Ltd. (CRIF)
- 8) The Bank won the “Best Customer Recommendation Award” by the Wealth Magazine on the Wealth Management Awards.
- 9) The Bank won the “Best New Southbound Contribution Award” and “Excellence and Best Customer Recommendation Award” by the Excellence Bank Evaluation.
- 10) The Bank received the Class 1 Silver Award in the financial and insurance industry for the sustainability report category in the 15th “Taiwan Corporate Sustainability Award (TCSA)” given by the Taiwan Institute for Sustainable Energy.
- 11) The Bank won the Sports Promoter Award - “Sponsorship Class Gold Award” and “Sponsorship Class Long-term Sponsorship Award” given by the Ministry of Education. (having won the same award for 3 consecutive years from 2020 to 2022)
- 12) The Bank won the Procurement Award – Third Prize - on the 2022 “Buying Power Social Innovation Products and Service Procurement Incentive Mechanism” given by the Small and Medium Enterprise Administration of the Ministry of Economic Affairs.
- 13) The Bank won the “TCH eFCS Specific Write-off Operations Promotion Award” given by Taiwan Clearing House.
- 14) The Bank was selected the Taichung City Happy Workplace - “Star Award - Three Star Award”, “Five-Star Award for Promoting Happiness (Group Award)”, and “Happiness Creativity Award”.
- 15) The Bank won the 2022 Lohas Enterprise Poll - “Financial Management and Consulting - Gold Award” by the 1111 Job Bank.
- 16) The Bank won the 2022 Taiwan Excellent Trademark Award - “Innovative Design Excellence Award” given by Economic Daily News.
- 17) The Bank won the “Euro Clearing Elite Quality Recognition Award” from JPMorgan Chase

Bank and the “Straight-through Processing (STP) Award” from Bank of New York Mellon.

(5) Financial income and expenditure, and profitability analysis

Indicators	2022
Net profit before tax	NT\$6.472 billion
Net profit after tax	NT\$5.344 billion
After-tax earnings per share (EPS)	NT\$1.12
Capital adequacy ratio (BIS)	15.95%
Return on Equity (ROE)	8.06%

(6) 2022 budget implementation

- 1) The average balance of the deposits both in foreign currencies and New Taiwan dollar in 2022 was in the amount of NT\$690.436 billion, an increase of NT\$35.184 billion from that in the previous year, reaching 102.80% thereof.
- 2) The average balance of the loans both in foreign currencies and New Taiwan dollar in 2022 was in the amount of NT\$518.975 billion, an increase of NT\$39.834 billion from that in the previous year, reaching 103.71% thereof.
- 3) The accumulative service fee income of corporate finance lending in 2022 was in the amount of NT\$1.056 billion, an increase of NT\$279 million from that in last year, reaching 127.51% thereof.
- 4) The foreign exchange undertaken in 2022 was in the amount of US\$24.562 billion, an increase of US\$2.827 billion from that in the previous year, reaching 120.52% thereof.

(7) Research development status

The Bank actively developed digital finance, regularly held “financial technology development strategy meetings”, examined the current digital situation of the Bank, observed closely changes in the overall market environment, and actively developed the field in digital finance so to optimize digital platforms, implement target customer management, and practice sustainable development as the main axis of our strategies. Furthermore, the Bank's vision for digital financial development is to focus on “people” and to carry out innovative business promotion and internal digital transformation. Through financial technology innovation, it aims to deepen digital product development and digital target customer marketing, perfect customer experience in the financial journey, as well as deploy and form a people-oriented digital finance ecosystem.

2. Information on the Most Recent Credit Rating

Rating Agency	Announcement Date for Rating	Credit Rating		
		Long Term	Short Term	Outlook
Fitch Ratings (Taiwan Company)	April 12, 2022	A(twn)	F1(twn)	Stable

3. Outline of the 2023 business plan

(1) Management principles and important management policies

- 1) Raise stable funds, expand the scale of deposits and control the asset structure, strengthen the quality of the assets for the Bank's credit extending, introduce the application scoring model of risk metrics, and optimize the objectivity and efficiency of case review.
- 2) Root in the culture on corporate governance, strengthen intellectual property management policies, perfect mechanisms for anti-money laundering and countering the financing of terrorism, enhance information security awareness for employees to prevent internal and external threats, maintain a transparent operating environment, and build a friendly and honest financial organization.

- 3) Combine digital technology trends, provide diversified financial services, develop and innovate, and implement virtual-real integration. Adopt the customer segmentation tagging to set up a precise marketing model, to create a caring and exclusive digital finance ecosystem based on data analysis.
- 4) Prudently lay out the international development path, respond to the new southbound policy, and more actively plant the flag in the United States so as to integrate into the international financial market. Integrate diversified marketing channels, cooperate in online transaction functions and service optimization, and provide small and medium enterprises and Taiwanese businessmen with flexible foreign currency financing channels.
- 5) Establish a VIP membership system for wealth management, put forward global overall economic research reports and suggestions for optimal asset allocation, and build differentiated and comprehensive product lines in line with the investment market atmosphere. Efficiently control asset allocation through real-time wealth management information and transaction information such as credit card payments.
- 6) Endeavor to reduce carbon emissions in operations, promote green finance business and ESG financial products, guide funds to invest in sustainable projects, and strengthen climate change risk management of collateral. Adhering to the principle of responsible investment, increase the proportion of investment positions in green bonds and ESG sustainable funds year by year so to support the process of ecological civilization with actions.
- 7) Pay attention to and treat the needs of all customer groups fairly and reasonably, and create inclusive and barrier-free settings both online and offline. In response to the needs at various stages of life, implement extensive and customized business projects so to march towards a sustainable society.

(2) Expected Operational Goals

Item	Goals by the end of 2023
Deposits (including foreign currencies)	NT\$716,500 million
Lending (including foreign currencies)	NT\$538,500 million
Foreign Exchanges Operations	Annual amount US\$20,230 million

4. Future development strategy

As the world has entered the post-pandemic era, affected by geopolitics, rising inflationary pressure, monetary and fiscal policy shifts in major economies, and various other uncertain risks, the Bank adheres to the four major principles of “stable operating structure, financial supervision and control, digital experience creation, and sustainable value enhancement”, continue to observe market trends, satisfy needs of the emerging digital life, and expect stable business development in the changing situation.

5. The impact of the external competitive environment, regulatory environment and overall business environment

- (1) With the advent of the new era after the pandemic, the application of financial technology has become more universally available. In addition to creating a friendly and innovative environment to meet the needs of digital infrastructure and technological development, the competent authority has also emphasized the consideration of personal data protection, information security control as well as the protection of consumer rights and interests so as to set up convenient and safe financial services for all the people under the appropriate supervisory and legal system. In addition, the Internet availability has made fraud cases more and more rampant. The Financial Supervisory Commission has continued to promote the “Financial Knowledge Popularization

and Work Implementation Plan” so as to deepen basic financial education and improve financial literacy of the general public. Meanwhile, it also directs financial institutions to enhance network security and information resilience so as to maintain financial market discipline and stability.

- (2) In order to attract the return of Taiwanese businessmen and foreign investment, the “Three Major Programs for Investing in Taiwan” has been extended to the year of 2024. In addition to the plan to develop Taiwan into an Asia center for fund allocation of enterprises as well as high-net-worth wealth management, the “Asia Silicon Valley Development Agency 2.0” has also been actively implemented to make it become a key force in the global industrial transformation through the solid Internet of Things industry foundation and technological advantages. In addition, in order to increase the capacity of private and overseas investment and reduce information gaps, the information disclosure in English of TWSE/TPEX-listed companies has been strengthened, and the announcement and filing period for annual financial reports has been shortened, in the hope of promoting the liquidity of the financial market given drastic changes in the overall market environment.
- (3) In recent years, the impact of climate change has led sustainability issues to gradually become development goals. In order to be in line with the net zero carbon emission policy by 2050, the Financial Supervisory Commission announced the official launch of the “Sustainable Development Roadmap for TWSE/TPEX-listed Companies” in March 2022, according to which the greenhouse gas inventory and verification are expected to be completed in stages, and the sustainable finance assessment operation of financial institutions is scheduled to be conducted for the first time in 2023. On the other hand, the “Green Finance Action Plan 3.0” that has been implemented is to construct a more comprehensive guideline for the financial system to guide the transformation of the industry to net zero, and positively drive the triple-win situation in sustainable management of the ecosystem cycle for financial institutions, society and the environment by expanding the fields of sustainable development in investment and financing.
- (4) Facing the risks of technology, climate or unpredictable natural disasters and man-made hazards, improving the flexibility, agility and adaptability has seemed to become the primary goal at present for the banking industry while perfecting its physique. How to deepen the resilience of the system to adapt to shocks and various uncertainties in the future so as to comprehensively develop sustainable business operations, which has become an important topic today.

6. Vision

The Bank started its business in August 1953, and its business operation will have lasted for 70 years in 2023. There is an old saying that “It has always been quite rare for a person to live to seventy.”, and another saying also goes that “A life begins only at seventy.” For the Bank, the saying “It has always been quite rare for a person to live to seventy.” Has testified to the resilient vitality of the Bank that has survived huge storms and waves, while the saying “A life begins only at seventy.” Marks that the Bank will march towards the milestone of a century-old enterprise and enter the next seventy years. The future is unpredictable. Nevertheless, the Bank will continue to uphold the corporate culture of “We Do Our Best For You” and practice the goal and vision of “the first line of our country, the most expected by the society, and the most trusted by customers”.

Sincere wishes to all shareholders

Blessed with prosperity in four seasons, safety and good health for the whole family, and good luck in the Year of the Rabbit

President Te-Wei Chia

Chairman Kuei-Fong Wang

Management Presentation (Company Reports) No. 2

Report on the review of 2022 Final Accounts by the Audit Committee and the communication situation with the internal audit officers and CPAs. (Please refer to Pages 13–15 of the Annual Meeting Handbook)

Taichung Commercial Bank Co., Ltd.

Audit Committee' Review Report

The financial statements of the parent company only and consolidated financial statements in 2022 of the Bank have been audited by the certified public accountants of Deloitte Taiwan with the issuance of auditors' reports, which were released together with the Business Report and proposal for Earnings Distribution. The Auditing Committee has review the aforementioned reports and statements and determined that they are presented fairly. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby present the report for your reference.

To:

2023 Shareholders' annual meeting, Taichung Commercial Bank Co.
Ltd.

Chairman of Audit Committee
Chien-An Shih

February 22, 2023

Communication status for independent directors, internal audit officers and CPAs

1. Communication policies for independent directors, internal audit officers and CPAs

1. Independent directors and internal audit officers shall hold a conference at least once a year to communicate on issues such as the examination opinion put forward by the internal audit of the Company and its subsidiaries, and keep a record thereof; in the event of a major abnormal incidental, a meeting may be convened at any time.
2. Independent directors and CPAs shall hold meetings at least twice a year to communicate on the audit status of the Company's financial report or other accounting issues; in the event of a major abnormal incidental, a meeting may be convened at any time.

2. Communication status of independent directors, internal audit officers, and CPAs

Date	Communication method	Counterparty of communication	Communication matters	Result
Feb. 23, 2022	Audit Committee	Chief Auditor of the Company	Audit report for the 4th quarter of 2021	Acknowledged
	Meeting	CPAs of the Company	General explanation of the Company's annual audit for the year 2021	Acknowledged
May 4, 2022	Audit Committee	Chief Auditor of the Company	Audit report for the 1 st quarter of 2022	Acknowledged
	Meeting	CPAs of the Company	General explanation of the audit for the 1 st quarter of 2022	Acknowledged
Aug. 10, 2022	Audit Committee	Chief Auditor of the Company	Audit report for the 2 nd quarter of 2022	1. Suggestions from the independent directors: The items to be improved shall be completed as soon as possible. Handling status: The follow-up on the improvement items has been continued as suggested. 2.Acknowledged
	Meeting	CPAs of the Company	General explanation of the audit for the 1 st half of 2022	Acknowledged
Nov. 2, 2022	Audit Committee	Chief Auditor of the Company	Audit report for the 3 rd quarter of 2022	Acknowledged

	Meeting	CPAs of the Company	General explanation of the audit for the 3 rd quarter of 2022 Audit Planning for the year 2022	Acknowledged
Nov. 3, 2022	Conference	Chief auditor and audit colleagues of the Company	Conference on the internal control system and related matters	Acknowledged, and the meeting minutes were submitted and reported to the Board of Directors.
Dec. 14, 2022	Audit Committee	Chief Auditor of the Company	Drawing up the Company's internal audit plan for the year 2023	Forwarded to the Board of Directors for deliberation

Management Presentation (Company Reports) No. 3

Report on the 2022 distribution of remuneration to employees and directors

Explanation:

1. In accordance with Article 35 of the Articles of Incorporation of the Company: "If there is a profit, the Bank shall appropriate 0.5% to 3% as remuneration to the employees. The Board shall determine if stock or cash shall be released for such purpose. In addition, the Bank may allocate no more than 2.5% of the aforementioned amount as remuneration to the Directors. The distribution of remuneration to employees and directors shall be reported in the Shareholders' Meeting. If the Bank has accumulated deficit, an equivalent amount shall be reserved for making up such loss, then the remuneration to employees and directors can be appropriated in accordance with the ratio stated in the preceding paragraph thereafter".
2. The Company's profit for the year 2022 as audited by the CPAs was in the amount of NT\$6,689,782,862, from which the employee remuneration, director remuneration, and income tax expense were not set aside.
3. It is proposed that 0.75% of the profit for the current year of 2022 be set aside as employee remuneration and 2.5% thereof as director remuneration, in an amount of NT\$50,173,372 and NT\$167,244,572 respectively, all of which to be paid in cash.

Management Presentation (Company Reports) No. 4

Report on the issuance of new shares of cash capital increase in 2022. (Please refer to Pages 18-19 of the Annual Meeting Handbook)

Taichung Commercial Bank

Report on 2022 Cash Capital Increase for Issuance of Ordinary Shares

The Company's issuance of 250,000,000 ordinary shares through cash capital increase for the year 2022 has become effective through the filing made therewith by the letter No.: Chin-Kuan-Cheng-Fa-Tzu-1110356507 dated September 22, 2022 issued by the Financial Supervisory Commission.

1. Share allocation:

The resolution to issue a total of 250,000,000 ordinary shares through cash capital increase was adopted by the 23rd meeting of the 24th term of the Board of Directors on June 30, 2022. In accordance with Article 267 of the Company Act, 15% thereof accounting for 37,500,000 shares will be reserved for subscription by employees of the Company; 10% of the issuance accounting for 25,000,000 shares will be sold publicly through public subscription in accordance with Article 28-1 of the Securities and Exchange Act; and the remaining 75% thereof accounting for 187,500,000 shares will be subscribed by the original shareholders in accordance with the shareholding ratio specified in the shareholder register on the subscription record date. In case that it is insufficient for the original shareholder to subscribe for one new share in accordance with the shareholding therein, multiple shareholders may jointly subscribe for such shares, or such shares may be subscribed for in the name of one single shareholder. In case of subscription for less than one share and the waiver of subscription rights by original shareholders and employees, the chairman is authorized to negotiate such subscription with specific persons.

2. Determination of the issue price:

The issue price for this issuance was determined with the resolution adopted by the 28th meeting of the 24th term of the Board of Directors on October 17, 2022, and the issue price per share was set at NT\$11.75. In accordance with Paragraph 1, Article 6 of the "Taiwan Securities Association Self-regulatory Rules for Underwriters Giving Guidance in Offering and Issuing of Securities", the price shall not be lower than 70% of the average share price calculated based on the simple arithmetic average of the closing price of ordinary shares for the preceding 1, 3, or 5 business day, deducting the ex-rights due to dividends of the free-gratis dividends (or ex-rights due to capital reduction) and ex-dividend. The ex-rights date in this case was on November 1, 2022, of which the preceding 5 business day was the record date for pricing of the issue price on October 25, 2022. In accordance with the foregoing rules, the Bank thereby set the issue price per share at NT\$11.75.

3. Subscription status:

In this case, the share subscription payments were collected in full on December 16, 2022, and such shares were listed for trading on December 21, 2022.

4. Items, progress and benefits of the fund utilization plan:

(1) Items for the use of the funds:

This cash capital increase is to replenish working capital so as to meet various loan requirements, strengthen the Bank's financial structure, and increase the capital adequacy ratio.

(2) Progress for the use of the funds:

The offering was completed in the fourth quarter of 2022 and the funds are used to replenish working capital so as to meet various loan requirements.

(3) Benefits for the use of the funds:

This cash capital increase is used to replenish working capital and improve capital soundness, increase the Company's own capital adequacy ratio, Tier 1 Capital Ratio and the ordinary equity tier 1 ratio, which greatly strengthen and enhance the Company's capital structure.

Management Presentation (Company Reports) No. 5

Report on the construction progress of the new head office building and the implementation status of the financial budget.

Explanation:

1. As of January 30, 2023, the overall scheduled progress is 73.0122% and the actual progress is 73.0312%, accounting for the current difference in the progress by +0.019%. The implementation status of the construction is described as follows:
 - (1) Steel structural work:

Steel column sections 1–17 manufactured in the factory (B1F–PRRL) have been fully completed, and the steel column hoisting operation has also been completed. At present, only the steel beam for the roof frame has yet to be completed, which is expected to be fully completed on February 10, 2023.
 - (2) Above ground structural work:

The floor structure on the 36th floor and below has been completed; the concrete placement operation on the 37th floor is expected to be carried out on February 8, 2023. The whole work is expected to be completed on April 30, 2023.
 - (3) Curtain wall work:

The hoisting of curtain wall units on the 21st floor and below has been completed, and the hoisting on the 22nd floor is currently in process, which is expected to be completed on February 6, 2023. The whole work is expected to be completed on October 31, 2023 (including the roof protrusion).
2. The original construction period under the new head office building construction contract is supposed to end on June 5, 2023. However, due to factors unattributable to the contractor, such as the COVID-19 pandemic, Level 3 pandemic alert, shortages of labor and materials in the process of construction, as well as taking account of changes in the general environment and other factors, the Bank has approved the extension of the construction period to January 4, 2024. As per the requirement of the Financial Supervisory Commission, we shall enter the site for use prior to July 1, 2026.
3. In addition, the Bank has commissioned Rich Honour International Designs Co., Ltd. to carry out the design and planning of the interior decoration on September 29, 2022. The supplier has completed the interviews with various departments of the Bank. In accordance with the contract, the interior design shall be completed on October 29, 2023.
4. As of January 6, 2023, for the commissioned technical services of planning,

design, and construction supervision on the main structure, the payment request for the completed design stage in the amount of NT\$355,605,750 (budget amount: NT\$480 million) has been completed; the payment request for the construction project is in the amount of NT\$4,581,125,194 (budget amount: NT\$11,154,971,857); and the payment request for the design of interior decoration is in the amount of NT\$58,500,000 (budget amount: NT\$195,000,000).

5. The impact of this major capital expenditure on the Bank's finance and business is included in the aforementioned related expenses as of December 31, 2022. The Bank's return on assets (ROA) and return on equity (ROE) for the year 2022 were 0.69% and 8.06%, respectively. The earnings per share were NT\$1.12, which was higher or an increase compared with the return on assets (ROA) of 0.64% and the return on equity (ROE) of 7.94% in 2021, and the retrospective adjustment of earnings per share at NT\$1.05 in 2021. As of the year 2022, this major capital expenditure has had no significant impact on the Bank's finance and business.

Management Presentation (Company Reports) No. 6

Report on the amendments of the Rules of Procedure for Board of Directors Meeting of the Company

Explanation:

1. It is processed as per the letter of the Taiwan Stock Exchange forwarding the letter No.:

Chin-Kuan-Chen-Fa-Tzu-11103832635 dated August 5, 2022 issued by the Financial Supervisory Commission (hereinafter referred to as the FSC).

2. The summary of this amendment is as follows:

- (1) With regard to the important matters related to the Company's operation in the various subparagraphs of Paragraph 1 of Article 7 that shall be specified in the reason for the convening in order for the directors to have sufficient information and time to make an evaluation thereof before making a decision, the proviso of Paragraph 4 of Article 3 is hereby deleted, and it is to be clearly prescribed that the motion for the matters in the various subparagraphs of Paragraph 1 of Article 7 shall not be raised as an extempore motion.
- (2) As the dismissal and election of the chairman are both important matters of the Company, Subparagraph 6 of Paragraph 1 of Article 7 is hereby added to clearly prescribe that in the case of the absence of a managing director, the proposal for the election or dismissal of the chairman shall be submitted to the Board of Directors for discussion.
- (3) In order to correspond to the amendment to Paragraph 2 of Article 17 and to clarify the calculation of the entire directors as referred to in Subparagraph 2, Paragraph 2 of Article 17, the text in Paragraph 3 of Article 12 is hereby amended to make it more complete.
- (4) By reference to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”, Paragraph 6 of Article 7 regarding the matter that where independent directors have objections or reserved opinions with records or written statements, it shall be announced and reported on the information reporting website designated by the competent authority within two days from the date of the board meeting is

hereby relocated to Paragraph 2 of Article 17.

- (5) By reference to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” amended and announced by the FSC on August 5, 2022 as well as in accordance with Paragraph 2 of Article 208 of the Company Act, the chairman elected by the Board of Managing Directors shall follow the rules of procedure for the meeting in consistent with those adopted by the Board of Directors, Article 19 is hereby added to prescribe the rules that shall apply mutatis mutandis to the election or dismissal of the chairman by the Board of Managing Directors that is set up by the Board of Directors.
3. The draft amendments and the comparison table of the amendments thereto is detailed in the annex hereto. (Please refer to Pages 24-36 of the Annual Meeting Handbook)

The comparison table of the amendments for Rules of Procedure for Board of Directors Meetings of Taichung Commercial Bank Co., Ltd.

Clauses after the amendment	Existing clauses	Remark
<p>Article 3</p> <p>The Board of Directors of the Bank shall meet at least quarterly.</p> <p>The reasons for calling a Board of Directors meeting shall be notified to each director at least seven (7) days in advance. However, in case of emergency or upon the request of more than half of the directors, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p> <p>Matters set out in the various subparagraphs of Paragraph 1 of Article 7, shall be specified in the notice of the reasons for calling the Board of Directors meeting, none of which may be raised by the questions and motions.</p>	<p>Article 3</p> <p>The Board of Directors of the Bank shall meet at least quarterly.</p> <p>The reasons for calling a Board of Directors meeting shall be notified to each director at least seven (7) days in advance. However, in case of emergency or upon the request of more than half of the directors, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p> <p>Matters set out in the various subparagraphs of Paragraph 1 of Article 7, shall be specified in the notice of the reasons for calling the Board of Directors meeting, none of which may be raised by the questions and motions except in the case of an emergency or a legitimate reason.</p>	<p>By reference to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” amended and announced by the FSC on August 5, 2022, with regard to the important matters related to the Company's operation in the various subparagraphs of Paragraph 1 of Article 7 that shall be specified in the reason for the convening in order for the directors to have sufficient information and time to make an evaluation thereof before making a decision, the proviso of Paragraph 4 of Article 3 is hereby deleted, and it is to be clearly prescribed that the motion for the matters in the various subparagraphs of Paragraph 1 of Article 7 shall not be raised as an extempore motion.</p>
<p>Article 7</p> <p>The Bank shall submit the following matters to the Board of Directors for discussion:</p> <ol style="list-style-type: none"> 1. The business plan of the Bank. 2. Annual and the financial report for the second quarter required to be audited and attested by a CPA. 3. The enactment of or amendment to the internal control system pursuant to Article 14-1 of the SE Act, and the assessment of the effectiveness of the internal control system. 4. The enactment of or amendment to, pursuant to Article 36-1 of the SE Act, the handling procedures for major financial or business actions, 	<p>Article 7</p> <p>The Bank shall submit the following matters to the Board of Directors for discussion:</p> <ol style="list-style-type: none"> 1. The business plan of the Bank. 2. Annual and the financial report for the second quarter required to be audited and attested by a CPA. 3. The enactment of or amendment to the internal control system pursuant to Article 14-1 of the SE Act, and the assessment of the effectiveness of the internal control system. 4. The enactment of or amendment to, pursuant to Article 36-1 of the SE Act, the handling procedures for major financial or business actions, 	<ol style="list-style-type: none"> 1. By reference to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” amended and announced by the FSC on August 5, 2022, as the dismissal and election of the chairman are both important matters of the Company, Subparagraph 6 of Paragraph 1 of Article 7 is hereby added to clearly prescribe that in the case of the absence of a managing director, the proposal for the election or dismissal of the chairman shall be submitted to the Board of Directors for discussion.

<p>such as acquisition or disposal of assets, engagement in derivatives trading, making of loans to others, making of endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. <u>Where the Board of Directors does not have a managing director in place, the election or dismissal of the chairman.</u></p> <p>7. The appointment or discharge of the financial, accounting, risk management, regulatory compliance, and internal audit supervisors.</p> <p>8. The donation to a related party or a major donation to a non-related party, provided that public-interest donations of disaster relief for major natural disasters may be submitted to the following Board of Directors meeting for retroactive recognition.</p> <p>9. The standard of the performance evaluation and standard of remuneration for managers, and the structure and system of the remuneration for directors.</p> <p>10. Matters that shall be approved by resolution at the Shareholders' Meeting or Board of Directors meeting under Article 14-3 of the SE Act, other laws and regulations, or the Articles of Incorporation; or significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in Subparagraph 8 of the preceding paragraph shall refer to the 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" shall refer to any individual donation, or</p>	<p>such as acquisition or disposal of assets, engagement in derivatives trading, making of loans to others, making of endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. The appointment or discharge of the financial, accounting, risk management, regulatory compliance, and internal audit supervisors.</p> <p>7. The donation to a related party or a major donation to a non-related party, provided that public-interest donations of disaster relief for major natural disasters may be submitted to the following Board of Directors meeting for retroactive recognition.</p> <p>8. The standard of the performance evaluation and standard of remuneration for managers, and the structure and system of the remuneration for directors.</p> <p>9. Matters that shall be approved by resolution at the Shareholders' Meeting or Board of Directors meeting under Article 14-3 of the SE Act, other laws and regulations, or the Articles of Incorporation; or significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in Subparagraph 7 of the preceding paragraph shall refer to the 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" shall refer to any individual donation, or</p>	<p>2. In order to correspond to the amendment to Paragraph 2 of Article 17, the text in Paragraph 6 is hereby deleted.</p> <p>3. The numbering for the rest of the subparagraphs is adjusted accordingly.</p>
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<p>cumulative donations within a 1-year period to a single recipient, reaching the amount of NT\$100 million or more, or reaching the 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 1-year period” in the preceding paragraph shall refer to a period of 1 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 of Directors shall be exempted from inclusion in the calculation. For foreign companies whose stocks have no par value or a par value other than NT\$10, the amount calculated at 5 percent of the paid-in capital in Paragraph 2 above shall be calculated instead at 2.5 percent of the shareholder equity. In the case that the Bank has an independent director or directors, at least one independent director shall attend the Board of Directors meeting in person. In the case of a meeting concerning matters required to be submitted for a resolution by the Board of Directors under Paragraph 1, each independent director shall attend in person; If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded clearly in the board meeting minutes; An independent director who intends to express an objection or reservation but is unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, provide a written opinion in advance, which shall be recorded clearly in the board meeting</p>	<p>cumulative donations within a 1-year period to a single recipient, reaching the amount of NT\$100 million or more, or reaching the 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 1-year period” in the preceding paragraph shall refer to a period of 1 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 of Directors shall be exempted from inclusion in the calculation. For foreign companies whose stocks have no par value or a par value other than NT\$10, the amount calculated at 5 percent of the paid-in capital in Paragraph 2 above shall be calculated instead at 2.5 percent of the shareholder equity. In the case that the Bank has an independent director or directors, at least one independent director shall attend the Board of Directors meeting in person. In the case of a meeting concerning matters required to be submitted for a resolution by the Board of Directors under Paragraph 1, each independent director shall attend in person; If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded clearly in the board meeting minutes; An independent director who intends to express an objection or reservation but is unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, provide a written opinion in advance, which shall be recorded clearly in the board meeting</p>	
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<p>minutes.</p>	<p>minutes. Any of the following matters in relation to a resolution passed at the Board of Directors meeting shall be stated in the meeting minutes and be published on an information-reporting website designated by the competent authority within two (2) days from the date of the Board of Directors meeting:</p> <ol style="list-style-type: none"> 1. Where an independent director expresses an opinion of objection or reservation that has been included in records or stated in writing. 2. Where any matter that has not been passed by the audit committee, but has been adopted with the approval of two thirds or more of the entire directors. 	
<p>Article 12 When the time for the meeting has arrived and more than half of the directors are present, the chairperson shall announce the start of the meeting at once. When the time for the meeting has arrived and one half of the directors are not present, the chairperson may announce the postponement of the meeting, provided that only two postponements may be made. If the quorum is still not met after two such postponements, the chairperson may re-call the meeting following the procedures provided in Paragraph 2 of Article 3 hereof. The term “the entire directors” as referred to in the preceding paragraph <u>and Subparagraph 2, Paragraph 2 of Article 17</u> shall be calculated with the number of the directors then actually in office.</p>	<p>Article 12 When the time for the meeting has arrived and more than half of the directors are present, the chairperson shall announce the start of the meeting at once. When the time for the meeting has arrived and one half of the directors are not present, the chairperson may announce the postponement of the meeting, provided that only two postponements may be made. If the quorum is still not met after two such postponements, the chairperson may re-call the meeting following the procedures provided in Paragraph 2 of Article 3 hereof. The term “the entire directors” as referred to in the preceding paragraph shall be calculated with the number of the directors then actually in office.</p>	<p>In order to correspond to the amendment to Paragraph 2 of Article 17 and to clarify the calculation of the entire directors as referred to in Subparagraph 2, Paragraph 2 of Article 17, the text in Paragraph 3 of Article 12 is hereby amended to make it more complete</p>
<p>Article 17 The discussion in the Board of Directors meeting of the Bank shall be kept in the meeting minutes, which shall record correctly the following matters in detail:</p> <ol style="list-style-type: none"> 1. Term (or year) as well as the 	<p>Article 17 The discussion in the Board of Directors meeting of the Bank shall be kept in the meeting minutes, which shall record correctly the following matters in detail:</p> <ol style="list-style-type: none"> 1. Term (or year) as well as the 	<p>By reference to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”, Paragraph 6 of Article 7 regarding the matter that where independent directors have objections or reserved opinions</p>

<p>time and place of the meeting.</p> <p>2. Name of the chairperson</p> <p>3. Attendance status of directors at the meeting, specifying the names and number of the directors present, on leave, and absent.</p> <p>4. Names and titles of those attending the meeting as nonvoting participants.</p> <p>5. Name of minutes taker.</p> <p>6. Management Presentation (Company Reports).</p> <p>7. Discussions: The method of resolutions and the result of each motion; a summary of the comments made by directors, experts, and other persons; the name of the director who is an interested party as referred to in Paragraph 1 of the preceding article, an explanation on the important aspects of the relationship involving such interests, the reasons why the director is required or not required to enter recusal, and the status of such recusal; opinions expressing objections or reservations at the meeting that are included in records or stated in writing; and the opinion issued in writing by the independent director under Paragraph 5 of Article 7 hereof.</p> <p>8. Questions and motions : The name of the motion proposer; the method of resolutions and the result for each motion; a summary of the comments made by directors, experts, and other persons; the name of the director who is an interested party as referred to in Paragraph 1 of the preceding article, an explanation on the important aspects of the relationship involving such interests, the reasons why the director is required or not required to enter recusal, and the status of such recusal; and opinions expressing objections</p>	<p>time and place of the meeting.</p> <p>2. Name of the chairperson</p> <p>3. Attendance status of directors at the meeting, specifying the names and number of the directors present, on leave, and absent.</p> <p>4. Names and titles of those attending the meeting as nonvoting participants.</p> <p>5. Name of minutes taker.</p> <p>6. Management Presentation (Company Reports).</p> <p>7. Discussions: The method of resolutions and the result of each motion; a summary of the comments made by directors, experts, and other persons; the name of the director who is an interested party as referred to in Paragraph 1 of the preceding article, an explanation on the important aspects of the relationship involving such interests, the reasons why the director is required or not required to enter recusal, and the status of such recusal; opinions expressing objections or reservations at the meeting that are included in records or stated in writing; and the opinion issued in writing by the independent director under Paragraph 5 of Article 7 hereof.</p> <p>8. Questions and motions : The name of the motion proposer; the method of resolutions and the result for each motion; a summary of the comments made by directors, experts, and other persons; the name of the director who is an interested party as referred to in Paragraph 1 of the preceding article, an explanation on the important aspects of the relationship involving such interests, the reasons why the director is required or not required to enter recusal, and the status of such recusal; and opinions expressing objections</p>	<p>with records or written statements, it shall be announced and reported on the information reporting website designated by the competent authority within two days from the date of the board meeting is hereby relocated to Paragraph 2 of Article 17.</p>
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<p>or reservations at the meeting that are included in records or stated in writing.</p> <p>9. Other matters required to be recorded.</p> <p>Any matter in relation to a resolution passed at the Board of Directors meeting, <u>where in one of the following circumstances</u>, shall be stated in the meeting minutes and be published <u>and reported on</u> an information reporting website designated by the competent authority <u>within two days from the date of the Board of Directors meeting</u>.</p> <p>1. <u>Where an independent director expresses an opinion of objection or reservation that has been included in records or stated in writing.</u></p> <p>2. <u>Where any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of the entire directors.</u></p> <p>The attendance book shall form a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Bank.</p> <p>The minutes of the Board of Directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be well preserved as important company files during the existence of the Bank.</p> <p>The production and distribution of the meeting minutes referred to in Paragraph 1 may be conducted in electronic form.</p> <p>Article 19 The provisions of Article 2, Paragraph 2 of Article 3, Article 4 to Article 6, Article 9 and Article 11 to Article 18 shall apply mutatis mutandis to the procedure for the</p>	<p>or reservations at the meeting that are included in records or stated in writing.</p> <p>9. Other matters required to be recorded.</p> <p>Any matter in relation to a resolution passed at the Board of Directors meeting, where an <u>independent director expresses an objection or reservation that has been included in records or stated in writing</u>, shall be stated in the meeting minutes and be published on an information reporting website <u>designated by</u> the competent authority.</p> <p>The attendance book shall form a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Bank.</p> <p>The minutes of the Board of Directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be well preserved as important company files during the existence of the Bank.</p> <p>The production and distribution of the meeting minutes referred to in Paragraph 1 may be conducted in electronic form.</p> <p>Article 19 The provisions of Article 2, Paragraph 2 of Article 3, Article 4 to Article 6, Article 9 and Article 11 to Article 18 shall apply mutatis mutandis to the procedure for the</p>	<p>By reference to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” amended and announced by the FSC on August 5,</p>
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<p>Board of Managing Directors of the Bank. <u>Paragraph 4 of Article 3 shall apply mutatis mutandis to the election or dismissal of the chairman.</u> However, if the Board of Managing Directors meeting is convened on a regular basis within seven (7) days, the notice to each managing director may be made two (2) days in advance.</p>	<p>Board of Managing Directors of the Bank. However, if the Board of Managing Directors meeting is convened on a regular basis within seven (7) days, the notice to each managing director may be made two (2) days in advance.</p>	<p>2022 as well as in accordance with Paragraph 2 of Article 208 of the Company Act, the chairman elected by the Board of Managing Directors shall follow the rules of procedure for the meeting in consistent with those adopted by the Board of Directors, Article 19 is hereby added to prescribe the rules that shall apply mutatis mutandis to the election or dismissal of the chairman by the Board of Managing Directors that is set up by the Board of Directors.</p>
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Rules of Procedure for Board of Directors Meetings of Taichung Commercial Bank Co., Ltd.

- Article 1 In order to establish a sound board governance system of the Bank, optimize the supervisory function, and strengthen the management mechanism, these Rules are enacted in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and Paragraph 8, Article 26-3 of the Securities and Exchange Act (hereinafter referred to as the SE Act) for the purpose of compliance.
- Article 2 The main agenda items, operational procedures, required content of meeting minutes, public announcements, and other matters required to be complied with shall be handled in accordance with the provisions of these Rules.
- Article 3 The Board of Directors of the Bank shall meet at least quarterly.
- The reasons for calling a Board of Directors meeting shall be notified to each director at least seven (7) days in advance. However, in case of emergency or upon the request of more than half of the directors, a meeting may be called on shorter notice.
- The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.
- Matters set out in the various subparagraphs of Paragraph 1 of Article 7, shall be specified in the notice of the reasons for calling the Board of Directors meeting, none of which may be raised by the questions and motions.
- Article 4 The Board of Directors meeting of the Bank shall be held at the location and during the business hours of the Company, or at a place and time convenient for the directors to attend and suitable for holding such a meeting.
- Article 5 The Board of Directors of the Bank appoints the Office of the Board of Directors as the administration unit for handling matters of board meetings.
- The Office of the Board of Directors shall prepare agenda items for the Board of Directors meeting and provide substantial pre-meeting materials, both of which shall be sent together with the notice of the meeting.
- A director who is of the opinion that the pre-meeting materials provided are insufficient may request the Office of the Board of Directors to supplement the materials. If a director is of the opinion that materials concerning any motion are insufficient in content, the deliberation of such a proposal may be postponed by the resolution of the Board of Directors.
- Article 6 Agenda items for regular Board of Directors meetings of the Bank shall include at least the following matters:
1. Management Presentation (Company Reports):
 - (1) Minutes of the last meeting and execution status.
 - (2) Report on important financial matters.
 - (3) Report on internal audit matters.
 - (4) Report on other important matters.
 2. Discussions:
 - (1) The matters reserved for discussion from the previous meeting.
 - (2) The matters for discussion at this meeting.
 3. Questions and motions
- Article 7 The Bank shall submit the following matters to the Board of Directors for discussion:
1. The business plan of the Bank.

2. Annual and the financial report for the second quarter required to be audited and attested by a CPA.
3. The enactment of or amendment to the internal control system pursuant to Article 14-1 of the SE Act, and the assessment of the effectiveness of the internal control system.
4. The enactment of or amendment to, pursuant to Article 36-1 of the SE Act, the handling procedures for major financial or business actions, such as acquisition or disposal of assets, engagement in derivatives trading, making of loans to others, making of endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. Where the Board of Directors does not have a managing director in place, the election or dismissal of the chairman.
7. The appointment or discharge of the financial, accounting, risk management, regulatory compliance, and internal audit supervisors.
8. The donation to a related party or a major donation to a non-related party, provided that public-interest donations of disaster relief for major natural disasters may be submitted to the following Board of Directors meeting for retroactive recognition. °
9. The standard of the performance evaluation and standard of remuneration for managers, and the structure and system of the remuneration for directors.
10. Matters that shall be approved by resolution at the Shareholders' Meeting or Board of Directors meeting under Article 14-3 of the SE Act, other laws and regulations, or the Articles of Incorporation; or significant matter as may be prescribed by the competent authority.

The term “related party” in Subparagraph 8 of the preceding paragraph shall refer to the 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” shall refer to any individual donation, or cumulative donations within a 1-year period to a single recipient, reaching the amount of NT\$100 million or more, or reaching the 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 1-year period” in the preceding paragraph shall refer to a period of 1 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 of Directors shall be exempted from inclusion in the calculation.

For foreign companies whose stocks have no par value or a par value other than NT\$10, the amount calculated at 5 percent of the paid-in capital in Paragraph 2 above shall be calculated instead at 2.5 percent of the shareholder equity.

In the case that the Bank has an independent director or directors, at least one independent director shall attend the Board of Directors meeting in person. In the case of a meeting concerning matters required to be submitted for a resolution by the Board of Directors under Paragraph 1, each independent director shall attend in person; If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded clearly in the board meeting minutes; An independent director who intends to express an objection or reservation but is unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, provide a written opinion in advance, which shall be recorded clearly in the board meeting minutes.

Article 8 Apart from matters referred to in Paragraph 1 of the preceding article, which are required to be submitted to the Board of Directors for discussion, during the adjournment of the Board of Directors, the Board of Managing Directors of the Bank shall exercise the powers of the

Board of Directors in accordance with laws and regulations, Articles of Incorporation, resolutions of Shareholders' Meeting, and resolutions of Board of Directors meetings. The Board of Directors meeting may be convened by the Chairman at any time, and pass the resolution with the presence of more than half of the managing directors, and the approval of more than half of the managing directors present at the meeting.

Article 9 When the Board of Directors meeting is held, an attendance book shall be made ready to be signed by directors attending the meeting and thereafter made available for future reference.

Directors shall attend Board of Directors meetings in person; If the attendance in person is not possible, they may, pursuant to the Articles of Incorporation of the Company, appoint another director to attend as their proxy; The attendance via video conference shall be deemed as attendance in person.

The director appointing another director to attend the Board of Directors meeting in his or her place shall in each case provide the attending director with a written proxy stating the scope of authorization with respect to the reasons for the meeting.

The proxy under Paragraph 2 above shall accept the authorization from one person only.

Article 10 Where the Board of Directors meeting of the Bank is called by the Chairman, the meeting shall be chaired by the Chairman. However, where the first meeting of each term of the Board of Directors is called by the director who receives votes representing the largest portion of voting rights at the Shareholders' Meeting in which the directors are elected, the meeting shall be chaired by such a director with the right to call a meeting; If there are two or more directors so entitled to call the meeting, they shall elect one person by and from among themselves to chairperson the meeting.

Where the Board of Directors meeting is called by a majority of directors on their own initiative in accordance with Paragraph 4 of Article 203 or Paragraph 3, Article 203-1 of the Company Act, the directors shall elect one person by and from among themselves to chairperson the meeting.

When the chairman is on leave or for any reason is unable to exercise the powers of the Chairman, the vice Chairman shall act on the behalf of the Chairman; or, if there is no vice Chairman or the vice Chairman is also on leave or for any reason is unable to act, the Chairman shall designate one managing director to act on behalf of the chairperson; or, if there is no managing director, the Chairman shall designate one director to act on behalf of the Chairman; or, if the Chairman does not make such a designation, the managing directors or directors shall elect one person by and from among themselves to act on behalf of the Chairman.

Article 11 When holding the Board of Directors meeting, the Bank may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants. When necessary, the Bank may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements. However, they shall leave the meeting when the discussion or voting takes place.

Article 12 When the time for the meeting has arrived and more than half of the directors are present, the chairperson shall announce the start of the meeting at once.

When the time for the meeting has arrived and one half of the directors are not present, the chairperson may announce the postponement of the meeting, provided that only two postponements may be made. If the quorum is still not met after two such postponements, the chairperson may re-call the meeting following the procedures provided in Paragraph 2 of Article 3 hereof.

The term "the entire directors" as referred to in the preceding paragraph and Subparagraph 2, Paragraph 2 of Article 17 shall be calculated with the number of the directors then actually in office.

- Article 13 The Board of Directors of the Bank shall conduct meetings following the order of the agenda procedure as scheduled in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.
- The chairperson shall not forthwith announce the adjournment without the approval of a majority of directors present at the meeting.
- If at any time during the proceeding of the Board of Directors meeting, the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chairperson shall announce suspension of the meeting, in which case Paragraph 2 of the preceding article shall apply mutatis mutandis.
- Article 14 When the chairperson is of the opinion that the matter set out in the motion of the Board of Directors meeting has been sufficiently discussed to a degree of being put to a vote, the chairperson may announce closing of the discussion and bring the motion to a vote.
- When a motion comes to a vote at the Board of Directors meeting, the motion shall be deemed approved if no objection is raised by the entire directors present at the meeting upon the inquiry from the chairperson; If an objection is raised upon the inquiry from the chairperson, the motion shall then be brought to a vote. One of the voting methods set out in the following subparagraphs shall be elected by the chairperson:
1. Vote by raising hands.
 2. Vote by roll call.
 3. Vote by casting the ballot.
 4. Vote by any other means chosen by the Company itself.
- “The entire directors present at the meeting” referred to in the preceding paragraph shall not include the directors who are not allowed to exercise their voting rights in accordance with Paragraph 1 of Article 16 hereof.
- Article 15 Except as otherwise stated in the SE Act or in the Company Act, a resolution on a motion at the Board of Directors meeting shall require the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.
- When there are amendments or substitutes to the same motion, the chairperson shall determine the order of voting in combination with the original motion. However, if one of the proposals has been passed, the other proposals shall be deemed rejected and no further voting shall be required.
- For motions to be adopted by voting, the scrutineer and ballot counting personnel shall be designated by the chairperson, provided that the scrutineer shall have the status of directors.
- The results of the voting shall be reported on the spot and kept as the record.
- If matters resolved by the Board of Directors belong to the material information prescribed by laws and regulations or by the Taiwan Stock Exchange Corporation, the Bank shall transmit the content to the Market Observation Post System within the time limit.
- Article 16 If the director him/herself or the juristic person represented by the director is an interested party with respect to any agenda item, the director shall state the important aspects of the relationship involving such interests at the respective meeting. If the relationship is likely to prejudice the interests of the Company, the director shall not participate in the discussion or voting on that agenda item, and further, shall enter recusal during the discussion and voting on that item, and shall not act as the proxy for another director to exercise voting rights on that matter.
- Where the spouse or a blood relative within the second degree of kinship of the director, or a company which has a controlling or subordinate relation with the director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

The provisions of Paragraph 2, Article 180 of the Company Act shall apply mutatis mutandis to Paragraph 4, Article 206 of the same Act with respect to resolutions of the Board of Directors when the director is prohibited from exercising voting rights pursuant to the preceding two paragraphs.

Article 17 The discussion in the Board of Directors meeting of the Bank shall be kept in the meeting minutes, which shall record correctly the following matters in detail:

1. Term (or year) as well as the time and place of the meeting.
2. Name of the chairperson
3. Attendance status of directors at the meeting, specifying the names and number of the directors present, on leave, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Management Presentation (Company Reports).
7. Discussions: The method of resolutions and the result of each motion; a summary of the comments made by directors, experts, and other persons; the name of the director who is an interested party as referred to in Paragraph 1 of the preceding article, an explanation on the important aspects of the relationship involving such interests, the reasons why the director is required or not required to enter recusal, and the status of such recusal; opinions expressing objections or reservations at the meeting that are included in records or stated in writing; and the opinion issued in writing by the independent director under Paragraph 5 of Article 7 hereof.
8. Questions and motions : The name of the motion proposer; the method of resolutions and the result for each motion; a summary of the comments made by directors, experts, and other persons; the name of the director who is an interested party as referred to in Paragraph 1 of the preceding article, an explanation on the important aspects of the relationship involving such interests, the reasons why the director is required or not required to enter recusal, and the status of such recusal; and opinions expressing objections or reservations at the meeting that are included in records or stated in writing.
9. Other matters required to be recorded.

Any matter in relation to a resolution passed at the Board of Directors meeting, where in one of the following circumstances, shall be stated in the meeting minutes and be published and reported on an information reporting website designated by the competent authority within two days from the date of the Board of Directors meeting.

1. Where an independent director expresses an opinion of objection or reservation that has been included in records or stated in writing.
2. Where any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of the entire directors.

The attendance book shall form a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Bank.

The minutes of the Board of Directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be well preserved as important company files during the existence of the Bank.

The production and distribution of the meeting minutes referred to in Paragraph 1 may be conducted in electronic form.

Article 18 The Bank shall record on audio or video tape the entire proceedings of the Board of Directors meeting, and preserve such recordings for at least five (5) years. Such preservation may be conducted in electronic form.

If a litigation arises in connection with a resolution of the Board of Directors meeting before the expiration of the preservation period referred to in the preceding paragraph, the relevant audio or video recordings kept as materials of proof shall continue to be preserved until the litigation is concluded.

Where the Board of Directors meeting is held via video conference, the audio-visual materials from the video conference shall form a part of the meeting minutes, which shall be well preserved during the existence of the Bank.

Article 19 The provisions of Article 2, Paragraph 2 of Article 3, Article 4 to Article 6, Article 9 and Article 11 to Article 18 shall apply mutatis mutandis to the procedure for the Board of Managing Directors of the Bank. Paragraph 4 of Article 3 shall apply mutatis mutandis to the election or dismissal of the chairman. However, if the Board of Managing Directors meeting is convened on a regular basis within seven (7) days, the notice to each managing director may be made two (2) days in advance.

Article 20 The enactment of and amendments to these Rules of Procedure shall be approved by the Board of Directors of the Bank and submitted to the Shareholders' Meeting for report.

Amendment made by the 26th meeting for the 19th Temporary Board of Directors on March 24, 2008.

Amendment made by the 4th meeting for the 20th Temporary Board of Directors on March 31, 2009.

Amendment made by the 7th meeting for the 21st Board of Directors on October 17, 2012.

Amendment made by the 8th meeting for the 22nd Board of Directors on May 6, 2015.

Amendment made by the 16th meeting for the 22nd Board of Directors on February 3, 2016.

Amendment made by the 4th meeting for the 23rd Board of Directors on September 7, 2017.

Amendment made by the 24th meeting for the 23rd Board of Directors on February 25, 2020.

Amendment made by the 2nd meeting for the 24th Board of Directors on August 6, 2020.

Amendment made by the 26th meeting for the 24th Board of Directors on September 22, 2022.

Proposals

Proposals No. 1

Proposal: The 2022 Business Report and Financial Statements are presented for adoption.

Explanation: The Company's Business Report, Financial Statements of parent company only and consolidated financial statements of the Bank covering 2022 (Please refer to Pages 6-11 and Pages 133–157 of the Annual Meeting Handbook)

Resolutions:

Proposals No. 2

Proposal: The 2022 Earnings Distribution Statement Proposal is presented for adoption.

Explanation:

1. With regard to the Company's net profit after tax in 2022 in the amount of NT\$5,344,205,005.38, plus the investment gain or loss resulting from the disposal of equity instrument measured at fair value through other comprehensive income in the amount of NT\$2,418,459 as well as an increase of NT\$51,126,256 remeasured for the 2022 defined benefit plan, setting aside 30% thereof as the legal reserve in the amount of NT\$1,619,324,917 in accordance with the law, setting aside the same amount of NT\$159,684,640.09 as the net deduction of other equity that occurred in the current period for the special reserve, the expenses for transferring or rearranging employees as well as education and training arising from and in response to the development of FinTech in the amount of NT\$565,300, which have been reversed within the balance of the special reserve set aside from the surplus from 2016 to 2018, and then adding up the undistributed earnings in the amount of NT\$18,761,186.29 at the beginning of the period, the distributable earnings are in the amount of NT\$3,638,066,649.58, which is proposed to be distributed as follows:
 - (1) Shareholder dividends – stock dividends (NT\$0.42):
NT\$2,106,487,570
 - (2) Shareholder dividends – cash dividend (NT\$0.30):
NT\$1,504,633,976
2. Taichung Commercial Bank 2022 Earnings Distribution Statement. (Please refer to Page 40 of the Annual Meeting Handbook)

Resolutions:

Taichung Commercial Bank Co., Ltd.
Earnings Distribution Statement
2022

Unit: NT\$

Undistributed earnings - beginning		18,761,186.29
Current net profit after tax	5,344,205,005.38	
Disposal of equity instrument investments measured at fair value through OCI, cumulative gains and losses transferred directly to retained earnings	2,418,459.00	
Defined benefit plan remeasurement recognized to retained earnings	51,126,256.00	
The net profit after tax for the current period plus the items other than the net profit after tax for the current period are included in the amount of undistributed earnings for the current year		5,397,749,720.38
Legal reserve appropriated		(1,619,324,917.00)
Special reserve appropriated		(159,684,640.09)
Reversal for special reserve as required by law		565,300.00
Current distributable earnings		3,638,066,649.58
Distributions		
Shareholder dividends – stock (NT\$0.42 per share)	(2,106,487,570.00)	
Shareholder dividends – cash (NT\$0.30 per share)	(1,504,633,976.00)	(3,611,121,546.00)
Undistributed earnings - ending		\$ 26,945,103.58

Discussions

Discussions No. 1

Proposal: Handling the issuance of new shares issued through capitalization of earnings in 2022, please proceed to discuss.

Explanation:

1. The Company for business needs plans to appropriate stock dividends of NT\$2,106,487,570 from the 2022 distributable earnings with 210,648,757 shares issued at the ratio of 42 shares distributed per thousand shares at NT\$10 per share.
2. The earnings distribution is calculated in accordance with the shareholders and their respective shareholding ratio in the register of shareholders. Fractional share distribution is to be consolidated by shareholders and registered with the Company's Stock Department for stock consolidation within five days from the record date. Fractional share that is not consolidated or remains a fractional share after consolidation shall be paid with an equivalent cash amount (rounded up to the dollar). Fractional shares will be purchased by persons arranged by the Chairman as authorized by the Board. In the event that the total number of outstanding shares in circulation and the shareholders' dividend ratio are affected as a result of the Company's issuing new shares or financial bonds conversion through capitalization, employee's exercising warrants, repurchasing shares of the Company or transferring treasury shares to employees and canceling treasury shares, it is proposed to authorize the Board of Directors in the meeting of shareholders to arrange the necessary adjustments.
3. The capitalization of retained earnings into new shares is pending on the final approval of the Annual meeting of shareholders and the approval of the competent authority. Once approved, the Annual meeting of shareholders is requested to authorize the Board of Directors to set the dividend day.
4. The terms and conditions of the capitalization of retained earnings into new shares may be subject to alteration at the request of the competent authority. The Annual meeting of shareholders is requested to authorize the Board of Directors with full power of attorney to make such alteration as per the request of the competent authority.
5. The shareholder's rights and obligations for the new shares are the same as those of the existing shares.
6. The new shares issued through capitalization in accordance with Article 10 of the Regulations Governing the Offering and Issuance of

Securities by Securities Issuers are without a delivered printed stock but by a book-entry delivery.

Resolutions:

Discussions No. 2

Proposal: Amendments to provisions of the Company Corporate Charter (Articles of Incorporation) of the Company, please proceed to discuss.

Explanation:

1. The amendments to the Articles of Incorporation are as follows:
 - (1) Paragraphs 1 and 2 of Article 5-2 are formulated in accordance with the provisions of Article 10-1 of the “Regulations Governing Share Repurchase by TWSE-listed and TPEx-listed Companies” as well as the provisions of Articles 167-1 and 267 of the “Company Act”.
 - (2) Paragraph 3 of Article 13 is added in accordance with the provisions of Article 172-2 of the “Company Act” in order to cooperate with the competent authorities in promoting Shareholders’ Meetings held via video conferencing so as to respond to the needs of the digital age and to provide shareholders with a convenient channel to participate in the Shareholders’ Meeting.
 - (3) Paragraph 6 of Article 22 is hereby amended in accordance with the provisions of Paragraph 3, Article 43 of the “Corporate Governance Best Practice Principles for the Banking Industry”, prescribing that when the Board of Directors is not in session, the scope of power of the Board of Managing Directors, to the extent involving material interests in the Company, shall still be reserved for and such matters to be resolved by the Board of Directors.
 - (4) Paragraphs 1 and 2 of Article 36 are hereby amended in accordance with the provisions of Article 49 of the “Banking Act”, prescribing that the Bank shall submit the financial statements, annual reports, resolutions on earnings distribution, etc. acknowledged by the Shareholders’ Meeting to the competent authority for recordation, to which the provision of Paragraph 5, Article 240 of the Company Act that the Articles of Incorporation may authorize the Board of Directors to distribute dividends in cash shall not apply.
 - (5) The text of Article 29 is amended as appropriate for the purpose of consistency.
2. A comparison table of the amendments of the Company’s Articles of

Incorporation and the provisions after such revision are shown in the annex. (Please refer to pages 46-58 of this Manual for details.)

Resolutions:

The Comparison table of the amendments for Articles of Incorporation of Taichung Commercial Bank Co., Limited (Draft)

Clauses after the amendment	Existing clauses	Remark
<p><u>Article 5-2</u> <u>The Bank may issue new shares to be reserved for the subscription by employees in accordance with the law as well as buy back treasury shares to be transferred to employees in accordance with the law.</u> <u>Where the price of treasury shares to be transferred to employees is lower than the average price of the shares bought back by the Bank, it shall be resolved at the Shareholders' Meeting with attendance of the shareholders representing more than half of the total number of issued shares and the consent of two-thirds or more of the voting rights of the shareholders in attendance.</u> <u>For the new shares issued by the Bank that are reserved to be subscribed for by employees in accordance with the law as well as treasury shares bought back to be transferred to employees, the counterparty to such subscription or transfer may include the employees of the controlling company or subordinate company who meet the criteria set by the Board of Directors.</u></p>		<ol style="list-style-type: none"> 1. This article is newly added. 2. Paragraph 1 is newly added in accordance with the provision of Article 10-1 of the "Regulations Governing Share Repurchase by TWSE-listed and TPEX-listed Companies". 3. Paragraph 2 is newly added in accordance with Article 167-1 and Article 267 of the "Company Act", prescribing that for the new shares issued by the Bank that are reserved to be subscribed for by employees in accordance with the law as well as treasury shares bought back to be transferred to employees, the counterparty to such subscription or transfer may include the employees of the controlling company or subordinate company who meet the prescribed criteria.
<p>Article 13 There are two types of shareholders' meetings: general meetings and special meetings. A general shareholders' meeting shall be convened by the board of directors once a year within six (6) months after the end of each fiscal year. A special</p>	<p>Article 13 There are two types of shareholders' meetings: general meetings and special meetings. A general shareholders' meeting shall be convened by the board of directors once a year within six (6) months after the end of each fiscal year. A special</p>	<p>Paragraph 3 is hereby added in accordance with the amendment to Article 172-2 of the "Company Act" stating that "A company may</p>

Clauses after the amendment	Existing clauses	Remark
<p>shareholders' meeting shall be convened whenever deemed necessary by the board of directors or the audit committee. Any shareholder who has continuously held three percent (3%) or more of the total number of issued shares of the Bank for a period of at least one continual year may request for a special shareholders' meeting to be convened by the board of directors by submitting the meeting proposals and reasons in writing.</p> <p>Special shareholders' meeting may be held in accordance with relevant laws and regulations when necessary.</p> <p><u>When the Bank convenes the Shareholders' Meeting, it may be held by video conference or other means announced by the central competent authority.</u></p>	<p>shareholders' meeting shall be convened whenever deemed necessary by the board of directors or the audit committee. Any shareholder who has continuously held three percent (3%) or more of the total number of issued shares of the Bank for a period of at least one continual year may request for a special shareholders' meeting to be convened by the board of directors by submitting the meeting proposals and reasons in writing.</p> <p>Special shareholders' meeting may be held in accordance with relevant laws and regulations when necessary.</p>	<p>explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.” promulgated on December 29, 2021, as well as in order to cooperate with the competent authorities in promoting Shareholders' Meetings held via video conferencing so as to respond to the needs of the digital age and to provide shareholders with a convenient channel to participate in the Shareholders' Meeting.</p>
<p>Article 22</p> <p>The three to five directors may be elected as managing directors from among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors in accordance with the straight voting system. Pursuant to the provisions in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” the managing directors shall include not less than one independent director member, and not less than one-fifth of the managing director seats shall be held by independent directors. If necessary, a vice-chairman and a standing managing director may be appointed by a resolution of the board of directors.</p> <p>The chairman, vice-chairman, and standing managing director shall be elected from among the managing directors in accordance with the manner set forth in the preceding paragraph.</p> <p>In the case the managing directors were not</p>	<p>Article 22</p> <p>The three to five directors may be elected as managing directors from among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors in accordance with the straight voting system. Pursuant to the provisions in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” the managing directors shall include not less than one independent director member, and not less than one-fifth of the managing director seats shall be held by independent directors. If necessary, a vice-chairman and a standing managing director may be appointed by a resolution of the board of directors.</p> <p>The chairman, vice-chairman, and standing managing director shall be elected from among the managing directors in accordance with the manner set forth in the preceding paragraph.</p> <p>In the case the managing directors were</p>	<p>Paragraph 6 of Article 22 is hereby amended for the purpose of clarification in accordance with the provisions of Paragraph 3, Article 43 of the “Corporate Governance Best Practice Principles for the Banking Industry”, prescribing that when the Board of Directors is not in session, the scope of power of the Board of Managing Directors, to the extent involving material interests in the Company, shall still be reserved for and such matters to be resolved by the Board of Directors.</p>

Clauses after the amendment	Existing clauses	Remark
<p>elected, a chairman shall be elected among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors. If necessary, a vice-chairman may be elected among the directors.</p> <p>The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the Bank. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice-chairman shall act on his/her behalf. In case the vice-chairman was not elected or the vice-chairman is also on leave or absent or unable to exercise his/her power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors to act on his/her behalf. In the case where there is no managing director, the chairman of the board of directors shall designate a director to act on his/her behalf. In the absence of such a designation, the managing directors or directors shall elect from among themselves an acting chairman of the board of directors.</p> <p>Where the Bank itself or the responsible person has been disparaged by rumors or had their credit damaged by fraud, the chairman of the Bank shall promptly file a complaint to the prosecutors.</p> <p>During the recess of the board of directors, the managing directors shall conduct the routine banking business by the resolution of a majority vote of the meeting of the board with a quorum of half or more of managing directors, which may be convened by the chairman of the board from time to time. <u>However, matters involving material interests in the Company shall still be resolved by the Board of Directors.</u></p>	<p>not elected, a chairman shall be elected among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors. If necessary, a vice-chairman may be elected among the directors.</p> <p>The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the Bank. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice-chairman shall act on his/her behalf. In case the vice-chairman was not elected or the vice-chairman is also on leave or absent or unable to exercise his/her power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors to act on his/her behalf. In the case where there is no managing director, the chairman of the board of directors shall designate a director to act on his/her behalf. In the absence of such a designation, the managing directors or directors shall elect from among themselves an acting chairman of the board of directors.</p> <p>Where the Bank itself or the responsible person has been disparaged by rumors or had their credit damaged by fraud, the chairman of the Bank shall promptly file a complaint to the prosecutors.</p> <p>During the recess of the board of directors, the managing directors shall conduct the routine banking business by the resolution of a majority vote of the meeting of the board with a quorum of half or more of managing directors, which may be convened by the chairman of the board from time to time.</p>	
<p>Article 29</p> <p>The audit committee of the Bank shall be composed of the entire number of independent directors, with a term the same as that of an independent director. It</p>	<p>Article 29</p> <p>The audit committee of the Bank shall be composed of the entire number of independent directors, with a term the same as that of an independent director. It</p>	<p>The wording is revised as appropriate.</p>

Clauses after the amendment	Existing clauses	Remark
<p>shall not be fewer than three persons in number, and at least one of whom shall have accounting or financial expertise. The powers, rules of procedure for meetings, and other compliant matters of the audit committee shall be handled in accordance with the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies” and the <u>Bank’s “Rules on the Organization of Audit Committee.”</u></p> <p>Article 36 Upon the closing of account, the surplus, if any, shall be used to pay taxes and make up the losses for the preceding years first, and then set aside 30% of such profit as a legal reserve. However, if the legal reserve has reached the amount of paid-in capital of the Bank, the Bank may choose not to set aside any more legal reserve, and may use such profits as special reserve or may reverse special reserve, and may distribute dividends for preferred shares in accordance with the law. With respect to the remaining balance after such distribution, the board of directors may combine such balance with the accumulated undistributed profit and the reversal amount of special surplus reserves in accordance with the laws and regulations. If there is still surplus, the Board of Directors shall formulate a proposal for surplus distribution and submit it to the Shareholders Meeting <u>for recognition of the distribution of dividends and bonuses to shareholders.</u></p> <p>After setting aside the necessary capital, the board of directors shall, in accordance with the change of business environment and operational and investment needs, propose the surplus distribution proposal and a certain ratio between cash and stock dividends thereof, of which the cash dividend shall be no less than 10% of total</p>	<p>shall not be fewer than three persons in number, and at least one of whom shall have accounting or financial expertise. The powers, rules of procedure for meetings, and other compliant matters of the audit committee shall be handled in accordance with the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies” and the “Bank’s Rules on the Organization of Audit Committee.”</p> <p>Article 36 Upon the closing of account, the surplus, if any, shall be used to pay taxes and make up the losses for the preceding years first, and then set aside 30% of such profit as a legal reserve. However, if the legal reserve has reached the amount of paid-in capital of the Bank, the Bank may choose not to set aside any more legal reserve, and may use such profits as special reserve or may reverse special reserve, and may distribute dividends for preferred shares in accordance with the law. With respect to the remaining balance after such distribution, the board of directors may combine such balance with the accumulated undistributed profit and the reversal amount of special surplus reserves in accordance with the laws and regulations. If there is still surplus, the Board of Directors shall formulate a proposal for surplus distribution and submit it to the Shareholders Meeting for recognition.</p> <p>When the dividends and bonuses in the preceding paragraph are paid in cash, the Board of Directors shall be authorized to resolve with the attendance of two thirds or more of the directors and the consent of more than half of the directors in attendance, which shall be reported to the Shareholders Meeting.</p> <p>After setting aside the necessary capital, the board of directors shall, in accordance with the change of business environment and operational and investment needs, propose the surplus distribution proposal and a certain ratio between cash and stock dividends thereof, of which the cash dividend shall be no less than 10% of total</p>	<p>Paragraph 1 is hereby amended and Paragraph 2 is hereby deleted in accordance with the letter No.: Chin-Kuan-Yin-Fa-Tzu-1110270673 dated August 5, 2022 issued by FSC, which was forwarded with the letter of the Bankers Association on August 17, 2022, stating that in accordance with the provisions of Article 49 of the Banking Act, the Bank shall submit the financial statements, annual reports, resolutions on earnings distribution, etc. acknowledged by the Shareholders’ Meeting to the competent authority for recordation, to which the provision of Paragraph 5, Article 240 of the Company Act that the Articles of Incorporation may authorize the Board of Directors to distribute dividends in cash shall not apply.</p>

Clauses after the amendment	Existing clauses	Remark
<p>dividend and submit it for adoption by the shareholders' meeting.</p> <p>Where the capital adequacy ratio is below the minimum requirement set by law, the distribution of surplus shall be handled in accordance with the Banking Act and the regulations of the competent authority.</p>	<p>dividend and submit it for adoption by the shareholders' meeting.</p> <p>Where the capital adequacy ratio is below the minimum requirement set by law, the distribution of surplus shall be handled in accordance with the Banking Act and the regulations of the competent authority.</p>	

Articles of Incorporation of Taichung Commercial Bank Co., Limited (Draft)

Chapter One General Provisions

- Article 1 This Bank is incorporated in accordance with the provisions regarding company limited by shares in the Banking Act and the Company Act, and is named Taichung Commercial Bank Co., Limited, or “Taichung Bank” (hereinafter as the “Bank”).
- Article 2 The Bank aims to provide comprehensive financial services and promote industrial and economical development in accordance with the national financial policies.
- Article 3 The Bank has established its head office in Taichung City, and may set up domestic and/or overseas branch offices at appropriate locations to meet business needs. The establishment, revocation, or change of such offices shall be determined by a resolution of the board of directors and shall be submitted to the competent authority for approval and to the Ministry of Economic Affairs for registration.
- Article 4 Public notices of the Bank shall be made on the local daily newspaper circulated in the location of the head office of the Bank or in accordance with the methods designated by the competent authority.

Chapter Two Shares

- Article 5 The total capital of the Bank is set at NT\$77.7 billion divided into 7.77 billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the unissued shares in installments.
- Preferred shares may be issued within the total amount of the shares provided in the preceding paragraph.
- Article 5-1 The rights and obligations of the Bank's preferred shares and other important issuance conditions are set forth as follows:
1. If there is surplus by the annual closing account of the Bank, the Bank shall pay all taxes in accordance with the law and offset the losses of the previous years. If there is still surplus after the above is deducted, such shall be appropriated to set aside the legal reserve and set aside or reverse the special reserve in accordance with the Articles of Incorporation and the remaining balance may be used to the annual distributable dividend that is distributed to the preferred shares in priority.
 2. The maximum distributable dividend rate for preferred shares is 8% per annum.
 3. Dividend for preferred shares is calculated based on the issue price per share and may be paid in cash once a year. After the financial report of the Bank is acknowledged in the annual shareholders' general meeting, the board of directors shall set the record day to pay the distributable dividend for the previous year. The distribution of dividend in the issuance year and redemption year shall be calculated based on the actual number of days of issuance in the current year.
 4. The Bank has discretion over the distribution of dividends for preferred shares. In the event that there is no surplus by the Bank's annual closing accounts and no dividend for ordinary shares has been paid, or the payment of preferred dividends will result in a capital adequacy ratio below the minimum requirement set by law or the competent authority, the Bank may resolve not to pay dividends for preferred shares, and preferred share shareholders shall not object. If it is the non-cumulative preferred shares being issued, the unpaid or under-paid dividends will not accumulate as deferred payment in future years having surplus.
 5. In addition to receiving the dividends referred to in subparagraph 3 of this paragraph, if it is the non-participating preferred shares being issued, the holders of such shares shall not participate in the payment for ordinary shares out of the surplus reserve and

capital reserve.

6. Holders of preferred shares take precedence over holders of ordinary shares with respect to distribution of residual assets of the Bank, with the same order of priority for the distribution of various preferred shares issued by the Bank, but to the extent not exceeding the amount issued. In the event of a receivership, closure, or liquidation ordered by the competent authority, holders of preferred shares and ordinary shares shall rank pari passu with each other.
7. Holders of preferred shares shall have no voting right in the shareholders' meeting but may be elected as directors, and shall have voting right at shareholders' meetings of preferred share holders and shareholders' meetings concerning the rights and obligations of preferred share holders.
8. The convertible preferred shares issued by the Bank shall not be converted within one year from the date of issuance. The board of directors is authorized to set out the conversion period as part of the conditions of actual issuance. Shareholders of convertible preferred shares may apply for a partial or total conversion of the preferred shares held on the basis of one preferred share to one ordinary share (conversion ratio of 1: 1). After the convertible preferred shares are converted into ordinary shares, the rights and obligations thereof are the same as ordinary shares. The annual payment of dividend for the year of the conversion is calculated based on the ratio of actual number of issue days in the year to the number of days in the year. Preferred shares which have been converted to ordinary shares before the dividend record day shall not participate in the payment of preferred share dividend of the year and future years, but may participate in the payment for ordinary shares by surplus reserve and capital reserve.
9. For preferred shares issued by the Bank without a maturity date, the shareholders of such shares do not have the right to require the bank to redeem such shares. The Bank may, on the day following the fifth anniversary of the issuance and in accordance with the law and the approval of the competent authority, redeem all or part of the preferred shares issued at the actual issue price. For the preferred shares which have not been redeemed, the rights and obligation under the preceding subparagraphs of issuance conditions as set forth above shall continue. If the Bank has resolved to issue dividend for such year, the dividend up to the redemption day shall be calculated based on the number of actual days of issuance in the year.
10. For preferred share issued by the Bank with a maturity date, the period of issuance shall not be less than five years. Prior to the maturity date, holders of preferred shares have no right to require the Bank to redeem their preferred shares held. The Bank may, after the maturity date or on the day following the fifth anniversary of issuance, and in accordance with the law and the approval of the competent authority, redeem such shares at issue price, or according to relevant issuance conditions, by cash, by new shares (with a new to old share ratio of 1:1) or by other means permitted by the law and pursuant to related issuance conditions. If by maturity date, the Bank cannot redeem all or part of the preferred shares due to objective circumstances or force majeure, the rights of such unredeemed preferred shares shall survive to the extent provided in the subparagraphs of issuance conditions under issuance rules until the Bank redeems such shares.

The name, issue date, and specific terms of the preferred shares shall be determined by the board of directors at actual issuance depending on the condition of the capital market at the time and investors' willingness, and pursuant to the Bank's Articles of Incorporation and related laws and regulations.

Article 5-2 The Bank may issue new shares to be reserved for the subscription by employees in accordance with the law as well as buy back treasury shares to be transferred to employees in accordance with the law. Where the price of treasury shares to be transferred to employees is lower than the average price of the shares bought back by the Bank, it shall be resolved at the Shareholders' Meeting with attendance of the shareholders representing

more than half of the total number of issued shares and the consent of two-thirds or more of the voting rights of the shareholders in attendance.

For the new shares issued by the Bank that are reserved to be subscribed for by employees in accordance with the law as well as treasury shares bought back to be transferred to employees, the counterparty to such subscription or transfer may include the employees of the controlling company or subordinate company who meet the criteria set by the Board of Directors.

Article 6 Pursuant to the provisions of the Company Act, the Bank may elect to issue new shares by book-entry.

Article 7 (Deleted)

Article 8 The Bank's administration of shareholder services shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority and other relevant laws and regulations.

Article 9 All transfers of the shares and change of title of shares of the Bank will be duly suspended with sixty days prior to the meeting date of the general shareholders meeting, thirty days prior to the meeting date of the special shareholders meeting, or five days prior to the record date of distribution of dividend, bonus or other benefits.

Article 10 After each director of the Bank are elected, the number and amount of the shares of the Bank being held by such at the time being elected shall be declared to the competent authority. In the event that a director, during the term of office as a director, transfers more than one half of the Bank's shares held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director.

If the number of the Bank's shares held by a director is increased or reduced during his/her term of office as a director, he/she shall declare such change to the competent authority and shall place a public notice of such a fact.

If any director, after having been elected and before his/her inauguration of the office of director, has transferred more than one half of the total number of shares of the Bank he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of shares he/she held within the share transfer prohibition period fixed prior to the convention of a shareholders' meeting, then his/her election as a director shall become invalid.

Chapter Three Business Operations

Article 11 The business activity the Banks engages is H101021 Commercial Banking. The abovementioned business activities are limited to those approved by the competent authority.

Article 12 The Bank may operate other businesses approved by the competent authority.

Chapter Four Shareholders' Meeting

Article 13 There are two types of shareholders' meetings: general meetings and special meetings. A general shareholders' meeting shall be convened by the board of directors once a year within six (6) months after the end of each fiscal year. A special shareholders' meeting shall be convened whenever deemed necessary by the board of directors or the audit committee. Any shareholder who has continuously held three percent (3%) or more of the total number of issued shares of the Bank for a period of at least one continual year may request for a special shareholders' meeting to be convened by the board of directors by submitting the meeting proposals and reasons in writing.

Special shareholders' meeting may be held in accordance with relevant laws and regulations when necessary.

When the Bank convenes the Shareholders' Meeting, it may be held by video conference or other means announced by the central competent authority.

Article 14 A notice to convene a general meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date; A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to

the scheduled meeting date. Such notice shall indicate the meeting date, meeting place and the reason for convening the meeting.

Article 15 A shareholder who is unable to attend the shareholders meeting may appoint a proxy to attend the meeting on his/her behalf by executing the proxy form prepared by the Bank with his/her signature or seal imprinted and indicating therein the scope of power authorized to the proxy. A shareholder may only execute one proxy form and appoint one proxy only, and shall serve such written proxy form to the Bank no later than 5 days prior to the date of the shareholders' meeting. In case two or more written proxy forms are received from one shareholder, the first one received by the Bank shall prevail; unless the later proxy explicitly stating to revoke the previous written proxy.

Matters not mentioned herein shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 16 The matters set forth below shall be decided by the resolution adopted by the shareholders meeting:

1. Formulate and amend the Articles of Incorporation of the Bank.
2. Increase or decrease of capital.
3. Election and dismissal of directors.
4. Ratification of the books and statements issued by the Board of Directors and the inspection reports issued by the audit committee. The shareholders meeting may elect an inspector to report for the certain books, statements and reports.
5. Allocating earnings, dividend and bonus.
6. Other important matters for which a resolution is necessary.

Article 17 Resolutions at a shareholders' meeting, except where otherwise provided for in the Company Act, shall be adopted by a majority vote of the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

Article 18 When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a shareholders' meeting within one month.

In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article.

Article 19 Except where otherwise provided for in the law, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 20 The minutes of shareholders' meeting shall record the date, time, and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting, and shall be signed or sealed by the chairman. The minutes shall be kept persistently throughout the life of the company. The attendance list bearing the signatures of shareholders present at the meeting and the proxy forms shall be kept by the company for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Chapter Five Directors and Board of Directors

Article 21 The Bank shall have seven to fifteen directors consisting of the board of directors, whom shall be elected by the shareholders' meeting from among the persons with the capacity in accordance with the provisions of Article 198 of the Company Act. The directors shall serve for a term of three years and may be re-elected. The total number of shares held by all the directors in the registered share certificate shall comply with the requirements of the "Rules

and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”

The candidate nomination system shall be adopted in relation to the election of directors (including independent directors) for the shareholders’ meeting to elect from the director nominees listed in the roster of director candidates.

Among the directors in the preceding Article, no less than three and no less than one-fifth of the total number of directors shall be independent directors. The election for independent and non-independent directors shall be held at the same time, and, respectively, the party winning the votes representing more voting rights shall be the elects. Matters concerning the professional qualifications, shareholdings and restrictions on concurrent positions held, assessment of independence, method of nomination, proxy and other matters for compliance with respect to independent directors shall be handled in accordance with the provisions in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

Article 22 The three to five directors may be elected as managing directors from among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors in accordance with the straight voting system. Pursuant to the provisions in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” the managing directors shall include not less than one independent director member, and not less than one-fifth of the managing director seats shall be held by independent directors. If necessary, a vice-chairman and a standing managing director may be appointed by a resolution of the board of directors.

The chairman, vice-chairman, and standing managing director shall be elected from among the managing directors in accordance with the manner set forth in the preceding paragraph.

In the case the managing directors were not elected, a chairman shall be elected among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors. If necessary, a vice-chairman may be elected among the directors.

The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the Bank. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice-chairman shall act on his/her behalf. In case the vice-chairman was not elected or the vice-chairman is also on leave or absent or unable to exercise his/her power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors to act on his/her behalf. In the case where there is no managing director, the chairman of the board of directors shall designate a director to act on his/her behalf. In the absence of such a designation, the managing directors or directors shall elect from among themselves an acting chairman of the board of directors.

Where the Bank itself or the responsible person has been disparaged by rumors or had their credit damaged by fraud, the chairman of the Bank shall promptly file a complaint to the prosecutors.

During the recess of the board of directors, the managing directors shall conduct the routine banking business by the resolution of a majority vote of the meeting of the board with a quorum of half or more of managing directors, which may be convened by the chairman of the board from time to time. However, matters involving material interests in the Company shall still be resolved by the Board of Directors.

Article 23 The powers and duties of the Board of Directors are as follows:

1. Approve articles and rules.
2. Approve material businesses and the plan thereof and decision on the business plans.
3. Approve material contracts.
4. Approve proposed budget and closing of accounts.
5. Propose earnings allocation plan.
6. Propose capital increase or reduction.

7. Approve the establishment, closure, and change of branch offices of the Bank.
8. Approve the purchase, sale, and investment of real estate.
9. Manage and execute matters for audit.
10. Approve the appointment and dismissal of management personnel.
11. Other matters authorized by the laws and regulations and the shareholders' meeting.

Article 24 The board of directors meeting shall be convened at least once every three months. In the case of emergency or by the request of a majority of the directors, an interim meeting may be convened. Except as otherwise provided by the Company Act, the meeting of the Board of Directors shall be convened by the Chairman.

In order to strengthen managerial functions, the board of directors may set up various functional committees whose duties and powers are determined by the board of directors.

Article 25 Each director shall attend the meeting of the board of directors in person. In case a director cannot attend the meeting for any cause, he/she may designate another director to act on his behalf and in each time, issue a written proxy listing the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only.

Article 26 Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. Minutes of the meeting shall be affixed with the signature or seal of the chairman of the meeting.

Article 27 When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call a meeting of shareholders to elect succeeding directors to fill the vacancies in accordance with the law. The term of the succeeding director is limited by the term of the vacancy being filled.

Article 27-1 The remuneration to the chairman, vice-chairman, standing managing director, managing directors, independent directors and directors shall be determined by the board of directors authorized to do so in reference to the common industry standards in practice.

Independent directors do not participate in the distribution of the earnings of the Bank.

The Bank shall purchase insurance for directors with respect to their liability during their performance of their operational duties.

Article 28 The Bank's president, vice presidents, and the other related personnel may be invited to attend as consults the meetings of the board of directors and the meetings of the board of managing directors.

Chapter Six Audit Committee

Article 29 The audit committee of the Bank shall be composed of the entire number of independent directors, with a term the same as that of an independent director. It shall not be fewer than three persons in number, and at least one of whom shall have accounting or financial expertise.

The powers, rules of procedure for meetings, and other compliant matters of the audit committee shall be handled in accordance with the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies" and the Bank's "Rules on the Organization of Audit Committee."

Article 29-1 (Deleted)

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Article 30 (Deleted)

Article 31 (Deleted)

Chapter Seven Managerial Officers

Article 32 The Bank shall have a general manager to take general charge of the business operation of the Bank in accordance with the resolutions adopted by the meeting of the board of directors, and shall have a number of associate general manager and assistant manager to

assist the general manager. The appointment and dismissal thereof shall be approved by the majority of the directors. A number of other managerial officers of different levels shall be nominated by the general manager and the appointment and dismissal of which shall be approved by the majority of the directors.

The Bank shall have one general auditor of the same level of the associate general manager, and the general auditor shall be approved by a majority of the audit committee and two thirds of the board of directors, and any appointment, dismissal, or transfer thereof shall be reported to the competent authority for a prior approval.

If that provided in the preceding paragraph is not approved by a majority of the audit committee, the resolution of the audit committee shall be expressly recorded in the minutes of the board of directors.

Chapter Eight Accounting

Article 33 The Bank adopts the end of the month as the monthly closing date, and December 31 as the year-end closing date.

Article 34 After the annual closing of account, the Bank shall prepare the following statements and reports for review by the board of directors and audit committee and for ratification by the shareholders' meeting and submit the same within 15 days to the competent authority and the Central Bank for recordation:

1. Business report.
2. Financial statements.
3. Proposals on distribution of surplus or on the offset of loss.

Article 35 If there is profit in the fiscal year, the Bank shall allocate 0.5% to 3% as employee remuneration by cash or stock by the resolution adopted by the board of directors, and the Bank may allocate no more than 2.5% of the aforesaid profit as remuneration for directors as a resolution adopted by the board of directors. Proposals for employee and director remuneration shall be submitted to the shareholders' meeting for ratification. However, if the Bank has accumulated loss from preceding years, the Bank shall reserve the balance to make up the losses for the preceding years first, and allocate the remuneration for employees and directors at the aforesaid percentage.

Article 36 Upon the closing of account, the surplus, if any, shall be used to pay taxes and make up the losses for the preceding years first, and then set aside 30% of such profit as a legal reserve. However, if the legal reserve has reached the amount of paid-in capital of the Bank, the Bank may choose not to set aside any more legal reserve, and may use such profits as special reserve or may reverse special reserve, and may distribute dividends for preferred shares in accordance with the law. With respect to the remaining balance after such distribution, the board of directors may combine such balance with the accumulated undistributed profit and the reversal amount of special surplus reserves in accordance with the laws and regulations. If there is still surplus, the Board of Directors shall formulate a proposal for surplus distribution and submit it to the Shareholders Meeting for recognition of the distribution of dividends and bonuses to shareholders.

After setting aside the necessary capital, the board of directors shall, in accordance with the change of business environment and operational and investment needs, propose the surplus distribution proposal and a certain ratio between cash and stock dividends thereof, of which the cash dividend shall be no less than 10% of total dividend and submit it for adoption by the shareholders' meeting.

Where the capital adequacy ratio is below the minimum requirement set by law, the distribution of surplus shall be handled in accordance with the Banking Act and the regulations of the competent authority.

Chapter Nine Supplementary Provisions

Article 37 Organizational Rules of the Bank shall be provided for in another document.

Article 38 Any other matters which have not been provided for herein shall be handled in accordance with the Company Act, Banking Act, and other relevant laws and regulations.

Article 39 This Articles of Incorporation and the amendments thereof are effective upon the approval of the shareholders' meeting. This Articles of Incorporation was drafted on October 22, 1977 and effective on January 1, 1978.

1st amendment was made on March 4, 1979.
2nd amendment was made on March 9, 1980.
3rd amendment was made on March 1, 1981.
4th amendment was made on March 7, 1982.
5th amendment was made on March 5, 1983.
6th amendment was made on March 7, 1985.
7th amendment was made on March 22, 1986.
8th amendment was made on March 19, 1987.
9th amendment was made on March 23, 1988.
10th amendment was made on March 23, 1989.
11th amendment was made on October 5, 1989.
12th amendment was made on March 23, 1990.
13th amendment was made on June 28, 1991.
14th amendment was made on October 13, 1992.
15th amendment was made on June 5, 1993.
16th amendment was made on April 23, 1994.
17th amendment was made on June 10, 1995.
18th amendment was made on October 18, 1995.
19th amendment was made on March 28, 1996.
20th amendment was made on May 8, 1997.
21st amendment was made on June 20, 1998.
22nd amendment was made on October 12, 1998.
23rd amendment was made on May 18, 1999.
24th amendment was made on June 15, 2000.
25th amendment was made on May 17, 2002.
26th amendment was made on June 25, 2003.
27th amendment was made on June 9, 2006.
28th amendment was made on December 7, 2006.
29th amendment was made on June 15, 2007.
30th amendment was made on June 13, 2008.
31st amendment was made on June 19, 2009.
32nd amendment was made on June 15, 2010.
33rd amendment was made on June 22, 2011.
34th amendment was made on June 13, 2013.
35th amendment was made on June 19, 2014.
36th amendment was made on June 2, 2015.
37th amendment was made on June 21, 2016.
38th amendment was made on June 7, 2017.
39th amendment was made on June 5, 2018.
40th amendment was made on June 28, 2019.
41st amendment was made on June 30, 2020.
42nd amendment was made on July 1, 2021.
43rd amendment was made on May 17, 2022.
44th amendment was made on -- 2023.

Discussions No. 3

Proposal: Amendments to provisions of the Rules of Procedure for Shareholders' Meeting, please proceed to discuss.

Explanation:

1. It is processed as per the letter No.: Tai-Cheng-Chih-Li- Tzu-11100042501 dated March 8, 2022 issued by the Taiwan Stock Exchange (hereinafter referred to as the TWSE).
2. In response to the amendment to Article 172-2 of the Company Act stating that “A company may explicitly provide for in its Articles of Incorporation that its shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.” promulgated on December 29, 2021, the Financial Supervisory Commission has amended and promulgated the relevant provisions of the “Regulations Governing the Administration of Shareholder Services of Public Companies” on March 4, 2022, which have added the relevant regulations for the video conference of the Shareholders’ Meeting. In order to meet the needs of the digital age and to provide shareholders with a convenient channel to participate in the Shareholders' Meeting, the relevant provisions of the Rules of Procedure for Shareholders' Meetings of the Bank are hereby amended by reference to the “Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders' Meetings” amended and announced by the TWSE on March 8, 2022.
3. A comparison table of the amendments and the provisions after such amendment are shown in the annex. (Please refer to pages 60-89 of this Manual for details).

Resolutions:

The comparison table of the amendments and the amended provisions for Rules of Procedure for Shareholder Meetings

Clauses after the amendment	Existing clauses	Remark
<p>Article 3</p> <p>The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.</p> <p><u>Changes in the method of convening the Shareholders’ Meeting of the Company shall be resolved by the Board of Directors, which shall be implemented no later than the sending of the notice of the Shareholders’ Meeting.</u></p> <p>The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the <u>MOPS</u> 30 days prior to the annual meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the <u>MOPS</u> 30 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s.</p> <p><u>On the day of the Shareholders’ Meetings, the Company shall provide shareholders with the handbook and supplementary materials of the meeting as mentioned in the preceding paragraph in the following manner:</u></p> <p>1. <u>When the Shareholders’ Meeting is held physically, they shall be distributed on-site at</u></p>	<p>Article 3</p> <p>The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.</p> <p>The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded <u>to the information reporting website designated by the Financial Supervisory Commission (hereinafter referred to as the FSC)</u> 30 days prior to the annual meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded <u>to the information reporting website designated by the FSC</u> 30 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s and distributed to shareholders at the meeting place.</p>	<p>1. In response to the amendment to the Company Act promulgated on December 29, 2021 that opens up the use of video conference for holding Shareholders’ Meetings by public companies, as well as in order to meet the needs of the digital age and to provide shareholders with a convenient channel to participate in the Shareholders’ Meeting, the relevant provisions are hereby amended by reference to the “Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders’ Meetings” amended and announced by the Taiwan Stock Exchange on March 8, 2022.</p> <p>2. Paragraph 2 is hereby added in order for shareholders to be aware of changes in the method of convening the Shareholders’ Meeting, the change in the method of convening the Shareholders’ Meeting shall be resolved by the Board of Directors, which shall be implemented no later than the sending of the notice of the Shareholders’ Meeting.</p> <p>3. Paragraph 4 is hereby added in order for shareholders to,</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>the Shareholders' Meeting.</u></p> <p>2. <u>When the hybrid Shareholders' Meeting is held, they shall be distributed on-site at the Shareholders' Meeting as well as be posted in the form of electronic files on the video conference platform.</u></p> <p>3. <u>When the virtual-only Shareholders' Meeting is held, they shall be posted in the form of electronic files on the video conference platform.</u></p> <p>The reasons for convening the meeting shall be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the Shareholders' Meeting, and the essential contents shall be explained. None of the above matters may be raised by a question and motion.</p> <p>Where the agenda for calling the Shareholders' Meeting has stated clearly the general re-election of directors, and the date of appointment, which date shall not be altered by means of questions and motions or otherwise at the same meeting after the re-election at the Shareholders' Meeting is completed.</p> <p>Shareholder holding 1 percent or more of the total number of issued</p>	<p>The reasons for convening the meeting shall be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the Shareholders' Meeting, and the essential contents shall be explained. None of the above matters may be raised by a question and motion.</p> <p>Where the agenda for calling the Shareholders' Meeting has stated clearly the general re-election of directors, and the date of appointment, which date shall not be altered by means of questions and motions or otherwise at the same meeting after the re-election at the Shareholders' Meeting is completed.</p> <p>Shareholder holding 1 percent or more of the total number of issued</p>	<p>regardless of whether they participate in the meeting physically or via video conference, be able to refer to the handbook and supplementary materials of the Shareholders' Meeting on the day of the Shareholders' Meeting.</p> <p>4. The wording of Paragraph 3 is hereby revised as appropriate.</p> <p>5. The wording of the original Paragraph 6 is hereby revised as appropriate, and the numbering thereof is hereby adjusted to Paragraph 8 and Paragraph 9 by reference to Article 3 of the "Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders' Meetings".</p>

Clauses after the amendment	Existing clauses	Remark
<p>shares may submit to this Corporation for discussion at a regular Shareholders' Meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, If a proposal proposed by a shareholder is in any of the circumstances in Subparagraph 4, Article 172-1 of the Company Act, the Board of Directors <u>may not</u> include it into the meeting agenda. <u>Shareholders may submit suggestive proposals for the purpose of urging the Company to promote public interests or fulfill social responsibilities, for which in term of the procedure only one proposal may be submitted pursuant to the relevant provisions of Article 172-1 of the Company Act. Where more than one proposal is submitted, all such proposals submitted shall not be included in the meeting agenda.</u></p> <p>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 acceptance of proposal in writing or by way of electronic transmission, 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. Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the Annual Meeting of Shareholders in person or by proxy and must participate in the proposal discussion.</p> <p>The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for</p>	<p>shares may submit to this Corporation for discussion at a regular Shareholders' Meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, where the motion proposed by the shareholder is for the purpose of urging the Company to promote public interest or the recommendation of fulfilling its social responsibilities, the Board of Directors may still include such a motion into the agenda. Unless any of the circumstances under Article 172-1, paragraph 4 of the Company Act is satisfied, the Board of Directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a regular meeting of shareholders.</p> <p>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 acceptance of proposal in writing or by way of electronic transmission, 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. Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the Annual Meeting of Shareholders in person or by proxy and must participate in the proposal discussion.</p> <p>The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not</p>	

Clauses after the amendment	Existing clauses	Remark
<p>not including the proposal of shareholders in the meeting agenda.</p> <p>Article 4 Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed. It is limited to one proxy per shareholder and one proxy only that shall be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction. After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail. <u>After the proxy is delivered to the Company, if the shareholder intends to attend the Shareholders' Meeting via video conference instead, the shareholder shall notify the Company in writing of the revocation of said proxy two days prior to the Shareholders' Meeting; If the notice of such revocation is given after the aforementioned deadline, the voting right exercised by the appointed proxy shall prevail.</u></p> <p>Article 5 The place of meeting of shareholders shall be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00, <u>and the place and time of the meeting shall fully consider the opinions of independent directors.</u></p>	<p>including the proposal of shareholders in the meeting agenda.</p> <p>Article 4 Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed. It is limited to one proxy per shareholder and one proxy only that shall be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction. After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.</p> <p>Article 5 The place of meeting of shareholders shall be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.</p>	<p>If a shareholder appoints a proxy to attend the Shareholders' Meeting and after the proxy is delivered to the Company, the shareholder intends to attend the Shareholders' Meeting via video conference instead, the shareholder shall notify the Company in writing of the revocation of said proxy two days prior to the Shareholders' Meeting. Paragraph 4 is hereby added.</p> <p>1. Paragraph 1 is hereby amended by reference to Article 5 of the "Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders' Meetings", stipulating that the place and time of Shareholders' Meetings shall fully consider the</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>When the Company holds a virtual-only Shareholders' Meeting, it is not subject to the restriction on the place of the meeting in the preceding paragraph.</u></p> <p>Article 6 <u>The Company shall specify in the meeting notice the time and place for accepting the attendance registration of shareholders, proxy solicitors, and appointed proxies (hereinafter referred to as the Shareholders), as well as other matters to be noted.</u> <u>The time for accepting shareholders' attendance registration in the preceding paragraph shall start at least 30 minutes prior to the commencement of the meeting;</u> <u>The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration shall be deemed to be attending the shareholders meeting in person.</u> The Company shall have the attendance registry ready for the signature of the attending shareholders, or the attending shareholders may have the signature card submitted as an alternative to the signature.</p> <p>The Company shall have the annual meeting handbook, annual reports, attendance pass, speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots shall be distributed for the election of directors, if applicable.</p>	<p>Article 6</p> <p>The Company shall have the attendance registry ready for the signature of the attending shareholders or the shareholder's representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature.</p> <p>The Company shall have the annual meeting handbook, annual reports, attendance pass, speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots shall be distributed for the election of directors, if applicable.</p>	<p>opinions of independent directors.</p> <p>2. Paragraph 2 is hereby added to clearly prescribe that when a company holds a virtual-only Shareholders' Meeting, it is not subject to the restriction on the place of the meeting.</p> <p>1. Paragraph 1 is hereby added to stipulate the items to be specified in the meeting notice for the compliance therewith.</p> <p>2. Paragraph 2 is hereby added to stipulate the time and procedure for the attendance registration by shareholders who attend physically or via video conference.</p> <p>3. Paragraph 3 is hereby added to correspond to the amendment to the abbreviation of shareholders.</p> <p>4. Paragraph 5 is hereby amended by reference to Article 6 of the "Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders' Meetings", stipulating that the Company shall not arbitrarily add requirements for other documents to be presented to attend the Shareholders' Meeting so as to protect the rights and interests of shareholders.</p> <p>5. Paragraph 7 is hereby added to stipulate that shareholders who intend to attend the Shareholders' Meeting via video conference shall register with the Company two days prior to the Shareholders' Meeting.</p> <p>6. Paragraph 8 is hereby</p>

Clauses after the amendment	Existing clauses	Remark
<p>Shareholders shall attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. <u>The Company shall not arbitrarily add requirements for other documents to be presented to attend the Shareholders' Meeting.</u></p> <p>Proxy solicitors shall have identity documents with them for examination.</p> <p>When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.</p> <p>Shareholders who intend to attend the Shareholders' Meeting via video conference shall register with the Company two days prior to the Shareholders' Meeting. <u>If the Shareholders' Meeting is held by video conference, the Company shall upload the meeting manual, annual report, and other relevant materials on the video conference platform at least 30 minutes prior to the commencement of the meeting, the disclosure of which shall continue until the end of the meeting.</u></p> <p><u>Article 6-1</u> <u>When the Company holds a Shareholders' Meeting via video conference, the following items shall be specified in the meeting notice of the Shareholders' Meeting:</u></p> <ol style="list-style-type: none"> 1. <u>Methods for shareholders to participate in video conferences and exercise their rights.</u> 2. <u>The method of dealing with obstacles caused by natural disasters, accidents or other force majeure events to the video conferencing platform or to the participation in the meeting via video conference shall include at least the following items:</u> <ol style="list-style-type: none"> (1) <u>The time when the meeting has to be postponed or</u> 	<p>Shareholders shall attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors shall have identity documents with them for examination.</p> <p>When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.</p>	<p>added to stipulate that the Company shall upload the meeting manual, annual report, and other relevant materials on the video conference platform of the Shareholders' Meeting, so that shareholders who attend via video conference may have access to such materials.</p> <ol style="list-style-type: none"> 1. This article is newly added. 2. In order for shareholders to be aware of the relevant rights and restrictions on participating in the Shareholders' Meeting prior to the Shareholders' Meeting, it is hereby clearly stipulated that the content of the notice of the Shareholders' Meeting shall include the methods for shareholders to participate in the video conference and exercise the relevant

Clauses after the amendment	Existing clauses	Remark
<p><u>resumed due to the occurrence of the foregoing obstacles that cannot be removed, and the date of the meeting to be postponed or resumed.</u></p> <p>(2) <u>Shareholders that have not registered to participate in the original Shareholders' Meeting via video conference shall not participate in the postponed or resumed meeting.</u></p> <p>(3) <u>For the hybrid Shareholders' Meeting, if the video conference cannot be continued, the Shareholders' Meeting shall continue provided that after deducting the number of shares attending the Shareholders' Meeting via video conference, the total number of shares in attendance reaches the quorum for the Shareholders' Meeting, in which circumstances the number of shares attending the Shareholders' Meeting by video conference shall be included in the total number of shares in attendance by shareholders; nevertheless, such shareholders shall be deemed to have waived the voting rights on all the proposals to be resolved at the Shareholders' Meeting.</u></p> <p>(4) <u>The method of dealing with the situation where the results of all the proposals have been announced without having proceeded with the extempore motion.</u></p> <p>3. <u>When the Company convenes a Shareholders' Meeting via video conference, it shall specify the appropriate alternative measure provided for shareholders that would have difficulty in participating in the video conference.</u></p>	<p>Article 7</p> <p>If the meeting of shareholders is</p>	<p>rights, and the methods of dealing with obstacles caused by natural disasters, accidents or other force majeure events to the video conferencing platform or the participation in the meeting via video conference, which shall at least include the date when the meeting must be postponed or resumed as well as how long shall the meeting be postponed or resumed if the meeting is interrupted, the provisions of Paragraph 1, Paragraph 2, Paragraph 4, and Paragraph 5 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the handling method for the results of all the proposals that have been announced but yet to proceed with the extempore motion, etc., and that when the Company convenes a Shareholders' Meeting via video conference, it shall specify the appropriate alternative measure provided for shareholders that would have difficulty in participating in the video conference.</p> <p>1. Paragraph 2 and</p>

Clauses after the amendment	Existing clauses	Remark
<p>convened by the Board, the chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his powers for certain reasons, the vice chairman is to chair the meeting. If a vice chairman is not appointed or the vice chairman is also on leave or is unable to perform his duties for certain reasons, the chairman is to appoint one of the managing directors to chair the meeting. If a managing director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the chairman, one of the managing directors or directors shall be elected among the board members to chair the meeting.</p> <p><u>Where the managing director or the director is to act on behalf of the chairperson referred to in the preceding paragraph, the managing director or director shall have served the Company for six months or more and understand the Company's finance and business conditions. The same shall apply if the chairperson is the representative of the corporate director.</u></p> <p><u>The chairman shall preside over the Shareholders' Meeting convened by the Board of Directors in person. It is advisable that more than half of the directors of the Board of Directors, at least one independent director shall attend the meeting in person, and at least one member of various functional committees shall attend the meeting. The attendance status shall be recorded in the minutes of the Shareholders' Meeting.</u></p> <p><u>If the Shareholders' Meeting is convened by a person with the right to convene other than the board members, the person with the right to convene shall serve as the chairperson; if there are two or more persons with the right to convene, one of them shall be elected from each other to serve as the chairperson.</u></p>	<p>convened by the Board, the chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his powers for certain reasons, the vice chairman is to chair the meeting. If a vice chairman is not appointed or the vice chairman is also on leave or is unable to perform his duties for certain reasons, the chairman is to appoint one of the managing directors to chair the meeting. If a managing director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the chairman, one of the managing directors or directors shall be elected among the board members to chair the meeting.</p>	<p>Paragraph 3 are hereby added by reference to Article 7 of the "Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders' Meetings", stipulating that the chairperson of the Shareholders' Meeting is the person who presides over the Shareholders' Meeting. The chairperson shall make necessary explanations on the proposals and other important matters of the Company on-site at the Shareholders' Meeting, and respond to shareholders' inquiries. In addition, it is advisable that the Shareholders' Meeting be presided over by the chairman in person, and independent directors and functional committee members be invited to participate in the Shareholders' Meeting.</p> <p>2. Paragraph 4 is hereby added by reference to Article 7 of the "Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders' Meetings", stipulating the relevant provisions of the chairperson of the Shareholders' Meeting for the compliance therewith.</p>
<p>Article 8 The Company shall have the entire</p>	<p>Article 8 The Company shall have the entire</p>	<p>Paragraph 2 and Paragraph</p>

Clauses after the amendment	Existing clauses	Remark
<p>meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it shall be reserved until the end of the proceedings.</p> <p><u>If the Shareholders' Meeting is held by video conference, the Company shall keep and preserve records of the shareholder registry, registration, attendance registration, questioning, voting, the Company vote counting results, and other materials, and make the audio and video recording of the entire process of the video conference continuously without interruption. The Company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of its existence, and provide the audio and video recordings to the one appointed to handle the video conferencing affairs for preservation.</u></p> <p>Article 9 Attendance of the meeting of shareholders shall be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted <u>as well as the number of shares registered for the attendance on the video conferencing platform</u>, plus the votes exercised in writing or by electronic means.</p> <p>The chairperson shall call the meeting to order at the meeting time. At the same time, the chairperson will announce the relevant information such as the number of non-voting rights and the number of shares presented. If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the</p>	<p>meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it shall be reserved until the end of the proceedings.</p> <p>Article 9 Attendance of the meeting of shareholders shall be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.</p> <p>The chairperson shall call the meeting to order at the meeting time. At the same time, the chairperson will announce the relevant information such as the number of non-voting rights and the number of shares presented. If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued</p>	<p>3 are hereby added by reference to Article 183 of the Company Act and Article 18 of the Act on the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, stipulating that the Company shall keep records of shareholder registry, registration, attendance registration, questioning, voting, and the Company's vote counting results, and other materials, and shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of its existence, and at the same time provide the audio and video recordings to the one appointed to handle the video conferencing affairs for preservation.</p> <p>1. Paragraph 1 is hereby amended to stipulate that when the Shareholders' Meeting is held by video conference, the calculation of the total number of shares of shareholders in attendance shall also include the number of shares of shareholders completing the attendance registration by video conference.</p> <p>2. Paragraph 3 is hereby amended to stipulate that when the Shareholders' Meeting is held by video conference, if the chairperson announces the adjournment of the meeting, the Company shall also announce the adjournment of the meeting on the Shareholders' meeting video conference</p>

Clauses after the amendment	Existing clauses	Remark
<p>shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the chairperson may announce to have the meeting aborted. ; <u>If the Shareholders' Meeting is held by video conference, the Company shall also announce the adjournment of the meeting on the Shareholders' meeting video conference platform separately.</u></p> <p>If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders shall be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month. <u>If the Shareholders' Meeting is held by video conference, shareholders that intend to attend by video conference shall re-register with the Company in accordance with Article 6.</u></p> <p>If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.</p>	<p>after the two postponements, the chairperson may announce to have the meeting aborted.</p> <p>If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders shall be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.</p> <p>If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.</p>	<p>platform separately to inform shareholders immediately thereof in real time.</p> <p>3. Paragraph 4 is hereby amended to stipulate that if the Company convenes a separate Shareholders' Meeting by the tentative resolution where shareholders intend to attend the meeting via video conference, they shall register with the Company.</p>
<p>Article 11</p> <p>Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the chairperson is to determine the order of speakers. Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text</p>	<p>Article 11</p> <p>Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the chairperson is to determine the order of speakers. Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text</p>	<p>Paragraph 7 is hereby added to stipulate the methods, procedures and restrictions for shareholders to participate in the Shareholders' Meeting via video conference.</p>

Clauses after the amendment	Existing clauses	Remark
<p>of the speech and the speech slip submitted, the contents of the speech shall prevail. Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the chairperson. However, the chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced. Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped. If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal. The chairperson may reply to the speaking shareholders personally or by the designated personnel. <u>If the Shareholders' Meeting is convened by video conference, shareholders that participate in the video conference may raise questions in text on the Shareholders' meeting video conference platform after the chairperson calls the meeting in order and before the meeting announces adjournment of the meeting. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The provisions of Paragraphs 1 to 5 shall not apply.</u></p>	<p>of the speech and the speech slip submitted, the contents of the speech shall prevail. Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the chairperson. However, the chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced. Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped. If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal. The chairperson may reply to the speaking shareholders personally or by the designated personnel.</p>	
<p>Article 13 Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act. When the Company convenes a Shareholders' Meeting, it shall adopt electronic means for the exercise of the voting rights, which may also be exercised in writing;</p>	<p>Article 13 Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act. When the Company convenes a Shareholders' Meeting, it shall adopt electronic means for the exercise of the voting rights, which may also be exercised in writing;</p>	<p>1.Paragraph 2 is hereby amended by reference to the policy of the competent authority to promote electronic voting as well as the provision of Paragraph 2, Article 7 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed</p>

Clauses after the amendment	Existing clauses	Remark
<p>when the vote is cast in writing or by electronic means, the election method shall be stated in the notice of meeting of shareholders. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, with respect to questions and motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver, <u>and therefore it is advisable that the Company shall avoid propose extempore motions and amendments to original motions.</u></p> <p>For the votes exercised in writing or by electronic means referred to above, the intention shall be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction. Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person <u>or via video conference</u> shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.</p> <p>For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. <u>When voting, the chairperson or the designated person shall announce the total number of voting rights of the shareholders in attendance, and</u></p>	<p>when the vote is cast in writing or by electronic means, the election method shall be stated in the notice of meeting of shareholders. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, with respect to questions and motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver.</p> <p>For the votes exercised in writing or by electronic means referred to above, the intention shall be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction. Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.</p> <p>For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the chairperson's consulting the attending shareholders without dissent is deemed as passed and</p>	<p>Companies”, stipulating that it is advisable that TWSE/TPEX listed companies adopting electronic voting shall avoid proposing extempore motions and amendments to original motions.</p> <p>2. Paragraph 4 is hereby amended to stipulate that after shareholders exercise their voting rights in writing or electronically, if they intend to attend the Shareholders’ Meeting via video conference instead, they shall first revoke the prior decision in the same way as they have exercised their voting rights.</p> <p>3. Paragraph 5 is hereby amended by reference to Article 13 of the “Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders’ Meetings”, stipulating that shareholders shall vote on a case-by-case basis and disclose the voting results.</p> <p>4. Paragraph 9 and Paragraph 10 are hereby added to stipulate that if the Shareholders’ Meeting is held by video conference, in order to allow shareholders participating in the video conference to have sufficient voting time, from the time when the chairperson calls the meeting to order to the time when the closing of voting is announced, all original proposals may be voted on. The vote counting operation shall be a one-time vote counting so to match the voting time of shareholders participating in video</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>then the shareholders shall vote on a case-by-case basis. On the day of the Shareholders' Meeting, the results of the shareholders' approval, objection or waiver shall be entered on MOPS.</u></p> <p>When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution. Chairperson is to appoint the scrutineers and counting officers who must be shareholders. Ballot counting shall be held at the meeting place with the ballot counting result announced immediately and records kept.</p> <p><u>When the Company holds the Shareholders' Meeting via video conference, shareholders participating in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairperson calls the meeting to order, and shall complete the voting before the chairperson announces the closing of the voting, after which time shareholders shall be deemed to have waived the voting rights. If the Shareholders' Meeting is convened via video conference, after the chairperson announces the closing of the voting, the votes shall be counted at one attempt, and the voting and election results shall be announced.</u></p> <p><u>When the Company holds the hybrid Shareholders' Meeting, shareholders that have registered to attend the Shareholders' Meeting via video conference in accordance with the provisions of Article 6 intending to attend the physical Shareholders' Meeting in person shall revoke the prior registration in the same manner as the prior registration two days prior to the Shareholders' Meeting; shareholders that revoke the prior registration after the foregoing</u></p>	<p>with the same effect as voting.</p> <p>When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution. Chairperson is to appoint the scrutineers and counting officers who must be shareholders. Ballot counting shall be held at the meeting place with the ballot counting result announced immediately and records kept.</p>	<p>conferences.</p> <p>5.Paragraph 11 is hereby added to stipulate that if shareholders attending the hybrid Shareholders' Meeting that have registered to attend the Shareholders' Meeting via video conference intend to attend the physical Shareholders' Meeting in person, they shall revoke the registration in the same way as the prior registration two days prior to the Shareholders' Meeting. In case of overdue revocation, shareholders may only participate in the Shareholders' Meeting via video conference.</p> <p>6.Paragraph 12 is hereby added to stipulate that for shareholders that exercise their voting rights in writing or electronically, if they have not revoked their expression of intention, they may still register to participate in the Shareholders' Meeting via video conference so as to protect the rights and interests of shareholders, provided that they shall not vote on the original proposal or the amendment to the original proposal, and shall not propose the amendment to the original proposal either, except that they may raise extempore motions and vote thereon.</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>deadline may only attend the Shareholders' Meeting via video conference.</u> <u>Shareholders that exercise voting rights in writing or electronically without revoking their expression of intention and participate in the Shareholders' Meeting by video conference shall not vote on the original proposal or the amendment to the original proposal, and shall not propose the amendment to the original proposal either, except that they may raise extempore motions and vote thereon.</u></p> <p>Article 15 The resolutions reached in the meeting of shareholders shall be documented in the minutes of meeting and signed or sealed by the chairman; also, it shall be uploaded to the MOPS within 20 days after the meeting adjournment. The minutes of meeting shall be prepared in accordance with the year, month, date, place, name of the chairperson, the resolution method, and a summary of the deliberations and the results of the voting (including the statistical weight) to be stated therein. Where the election of directors is proceeded, the ballot weight received by each candidate shall be disclosed, which shall be permanently reserved throughout the duration of the Company. <u>If the Shareholders' Meeting is held via video conference, the details as to the start and end time of the meeting, the method of convening the meeting, the name of the chairman and the recorder, and the handling method and handling status thereof when the video conferencing platform or participation in video conferencing is hindered due to natural disasters, accidents or other force majeure events, in addition to the matters to be recorded in accordance with the preceding paragraph, shall also be included in the minutes of the Shareholders' Meeting.</u> <u>If the Shareholders' Meeting is held via video conference, in addition to</u></p>	<p>Article 15 The resolutions reached in the meeting of shareholders shall be documented in the minutes of meeting and signed or sealed by the chairman; also, it shall be uploaded to the MOPS within 20 days after the meeting adjournment. The minutes of meeting shall be prepared in accordance with the year, month, date, place, name of the chairperson, the resolution method, and a summary of the deliberations and the results of the voting (including the statistical weight) to be stated therein. Where the election of directors is proceeded, the ballot weight received by each candidate shall be disclosed, which shall be permanently reserved throughout the duration of the Company.</p>	<p>1.Paragraph 3 is hereby added to stipulate that in order for shareholders to understand the results of the video conference, the alternative measures for shareholders with digital gaps, and the handling methods and handling status of circumstances of disconnection, the details as to the start and end time of the meeting, the method of convening the meeting, the name of the chairman and the recorder, and the handling method and handling status thereof when the video conferencing platform or participation in video conferencing is hindered due to natural disasters, accidents or other force majeure events, in addition to the matters to be recorded in accordance with Paragraph 2, shall also be included in the minutes of the Shareholders' Meeting.</p> <p>2.Paragraph 4 is hereby added to stipulate that if the Shareholders' Meeting is held via video conference, the convening notice shall specify the appropriate</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>proceeding therewith in accordance with the provisions of the preceding paragraph, for shareholders with digital gaps, the alternative measure as provided shall also be specified in the meeting minutes.</u></p> <p>Article 16 The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy <u>and the number of shares attended by shareholders in writing or electronically prepared in the specific format during the meeting of the shareholders commencement date and disclosed in the meeting. If the Shareholders' Meeting is held by video conference, the Company shall upload the aforementioned information to the shareholders' meeting video conference platform at least 30 minutes prior to the commencement of the meeting, the disclosure of which shall continue until the closure of the meeting. When the Company holds the Shareholders' Meeting via video conference calling the meeting to order, the total number of shares of shareholders in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders in attendance are counted separately during the meeting.</u> For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.</p>	<p>Article 16 The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy prepared in the specific format during the meeting of the shareholders commencement date and disclosed in the meeting. For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.</p>	<p>alternative measures for shareholders that have difficulties in participating in video conferences, which shall also be stated in the minutes of the meeting regarding the alternative measure as provided to shareholders with digital gaps.</p> <ol style="list-style-type: none"> Paragraph 1 is hereby amended in order for shareholders to be aware of the number of shares acquired by the proxy solicitor, the number of shares represented by the appointed proxy, as well as the number of shares of shareholders in attendance in writing or electronically, such information shall be clearly disclosed within the venue of the Shareholders' Meeting. If the meeting is held via video conference, such information shall be uploaded on the shareholders' meeting video conference platform, and the first item shall be amended. Paragraph 2 is hereby added in order for shareholders participating in the Shareholders' Meeting via video conference to be simultaneously aware whether the number of voting rights of shareholders in attendance has reached the threshold for the Shareholders' Meeting, and it is stipulated that when the meeting is called to order, the total number of shares of the shareholders in attendance shall be

Clauses after the amendment	Existing clauses	Remark
<p><u>Article 19</u> <u>If the Shareholders' Meeting is held by video conference, the Company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the closure of the voting, which closure shall continue at least 15 minutes after the chairperson announces the adjournment of the meeting.</u></p> <p><u>Article 20</u> <u>When the Company holds the Shareholders' Meeting via video conference, the chairperson and recorder shall be present at the same location within the country, and the chairperson shall announce the address of the meeting venue when the meeting is held.</u></p> <p><u>Article 21</u> <u>If the Shareholders' Meeting is held via video conference, the Company may provide shareholders with a simple connection test prior to the meeting, and provide relevant real time services before the meeting as well as during the meeting so as to</u></p>		<p>disclosed on the video conference platform. The total number of shares and voting rights of shareholders shall also be disclosed on the video conference platform if the total number of shares and voting rights of the shareholders in attendance are counted separately thereafter.</p> <p>1. This article is newly added. 2. In order for shareholders participating in the Shareholders' Meeting via video conference to be informed of the voting status and election results of various proposals in real time, this article is added to prescribe the sufficient time for information disclosure.</p> <p>1. This article is hereby newly added. 2. When the Shareholders' Meeting is held via video conference and there is no physical meeting place, the chairperson and the recorder shall be present at the same location within the country. In addition, in order to let shareholders know the chairperson's location, the chairperson shall announce the address of location for the meeting when the meeting is held.</p> <p>1. This article is newly added. 2. Paragraph 1 is hereby added in order to reduce the communication problems of video conferencing, by</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>assist shareholders in dealing with technical problems in communications.</u></p> <p><u>If the Shareholders' Meeting is convened via video conference, the chairperson shall, when calling the meeting to order, separately announce that, except for the circumstances specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies where there shall be no need to postpone or resume the meeting, if the video conferencing platform or participation in the video conference is obstructed which has lasted for 30 or more minutes due to natural disasters, accidents, or other force majeure events, the date of the meeting shall be postponed or resumed within five days thereof prior to announcing the adjournment of the meeting, to which the provisions of Article 182 of the Company Act shall not apply.</u></p> <p><u>Shareholders that have not registered to participate in the original Shareholders' Meeting via video conference shall not participate in the postponed or resumed meeting in the event of the occurrence of the obstruction in the preceding paragraph.</u></p> <p><u>For the meeting that shall be postponed or resumed in accordance with the provisions of Paragraph 2, shareholders that have registered to participate in the original Shareholders' Meeting and completed the attendance registration through video conference but have failed to participate in the postponed or resumed meeting, the number of shares in attendance at the original Shareholders' Meeting, the voting rights and election rights already exercised shall be included in the total number of shares in attendance, the voting rights and election rights of shareholders in attendance at the postponed or resumed meeting.</u></p> <p><u>When postponing or resuming the</u></p>		<p>reference to foreign practices, a connection test can be provided prior to the meeting, and relevant services can be provided in real time prior to the meeting and during the meeting so to assist shareholders in dealing with technical problems in communications.</p> <p>3.Paragraph 2 is hereby added to stipulate that if the Shareholders' Meeting is convened via video conference, the chairperson shall, when calling the meeting to order, separately announce that if the video conferencing platform or participation in the video conference is obstructed which has lasted for 30 or more minutes due to natural disasters, accidents, or other force majeure events, the date of the meeting shall be postponed or resumed within five days thereof prior to announcing the adjournment of the meeting, to which the provisions of Article 182 of the Company Act shall not apply.</p> <p>4.Paragraph 3 is hereby added to stipulate that in the event that the circumstances in Paragraph 2 occur where the meeting shall be postponed or resumed, in accordance with the provisions of Paragraph 2, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders that have not registered to participate in the original Shareholders' Meeting</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>Shareholders' Meeting in accordance with the provisions of Paragraph 2, no re-discussion and re-resolution shall be required for proposals that have been completed with the voting and counting, and the voting results or the list of the directors elect have been announced.</u></p> <p><u>When the Company convenes a hybrid Shareholders' Meeting and the video conference cannot be continued due to the occurrence in Paragraph 2, if the total number of shares in attendance after deducting the number of shares attending the Shareholders' Meeting via video-conference still reaches the quorum for convening the Shareholders' Meeting, the Shareholders' Meeting shall continue and there shall be no need to postpone or resume the meeting in accordance with the provisions of Paragraph 2.</u></p> <p><u>In the event that the meeting shall continue as per the preceding paragraph, the number of shares of the shareholders that participate in the Shareholders' Meeting via video conference shall be included in the total number of shares of the shareholders in attendance, provided that they shall be deemed to have waived the voting rights on all the proposals to be resolved at said Shareholders' Meeting.</u></p> <p><u>When the Company postpones or resumes the meeting in accordance with the provisions of Paragraph 2, it shall follow the provisions of Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and handle relevant preliminary work in accordance with the original date of the Shareholders' Meeting and the provisions of relevant articles.</u></p> <p><u>The period specified in second part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing</u></p>		<p>by video conference shall not participate in the postponed or resumed meeting.</p> <p>5. Paragraph 4 is hereby added to stipulate that for the meeting that shall be postponed or resumed in accordance with the provisions of Paragraph 2, shareholders that have registered to participate in the original Shareholders' Meeting and completed the attendance registration through video conference but have failed to participate in the postponed or resumed meeting, the number of shares in attendance at the original Shareholders' Meeting, the voting rights and election rights already exercised shall be included in the total number of shares in attendance, the voting rights and election rights of shareholders in attendance at the postponed or resumed meeting.</p> <p>6. Paragraph 5 is hereby added to stipulate that when the meeting cannot be continued due to communication barriers and the Shareholders' Meeting needs to be postponed or resumed, the resolution may be deemed to have been adopted based on the voting and counting for the previous meeting as well as the announcement of the voting results or the list of the directors and supervisors elect and no re-discussion and re-resolution shall be required thereon so as to reduce the time and cost</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the Shareholders' Meeting in accordance with the provisions of Paragraph 2.</u></p>		<p>for the resumption of the meeting.</p> <p>7.Paragraph 6 is hereby added to stipulate that considering that the hybrid Shareholders' Meeting conducts both physical meetings and video conferences at the same time, if there is an obstacle to the video conference platform or participation in video conference due to force majeure, there is still a physical Shareholders' Meeting in process; if the total number of shares in attendance after deducting the number of shares attending the Shareholders' Meeting via video-conference still reaches the quorum for convening the Shareholders' Meeting, the Shareholders' Meeting shall continue and there shall be no need to postpone or resume the meeting in accordance with the provisions of Paragraph 2.</p> <p>8.Paragraph 7 is hereby added to stipulate that in the event that the meeting shall continue as per the preceding paragraph, the number of shares of the shareholders that participate in the Shareholders' Meeting via video conference shall be included in the total number of shares of the shareholders in attendance, provided that they shall be deemed to have waived the voting rights on all the proposals to be resolved at said Shareholders' Meeting.</p> <p>9.Paragraph 8 is hereby added to stipulate that</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>Article 22</u> <u>When the Company holds a Shareholders' Meeting via video conference, it shall provide appropriate alternative measures for shareholders that would have difficulties in attending the Shareholders' Meeting via video conferencing.</u></p> <p><u>Article 23</u> <u>The Rules of Procedure for Shareholder Meetings is</u></p>	<p><u>Article 22</u> <u>The Rules of Procedure for Shareholder Meetings is</u></p>	<p>considering that the adjourned or resumed meeting is in essence identical to the original Shareholders' Meeting that was discontinued due to disconnections, the relevant preliminary work shall still be carried out in accordance with the date of the original Shareholders' Meeting and the provisions of the relevant articles.</p> <p>10. Paragraph 9 is hereby added to stipulate that considering further that when the Shareholders' Meeting via video conference has been postponed, the matters that must be announced and disclosed on the day of the Shareholders' Meeting shall still be disclosed to shareholders on the day of postponing or resuming the meeting.</p> <p>1. This article is newly added.</p> <p>2. When the Company holds the Shareholders' Meeting via video conference, considering that there may be obstacles for shareholders with digital gaps in participation via video conference, appropriate alternative measures shall be provided to shareholders for such purpose, for example, exercising voting rights in writing or providing shareholders with necessary equipment for rent to participate in the meeting.</p> <p>The numbering of this article is adjusted to</p>

Clauses after the amendment	Existing clauses	Remark
implemented after the resolution reached in the meeting of shareholders, so is the amendment and revocation.	implemented after the resolution reached in the meeting of shareholders, so is the amendment and revocation.	correspond to the amendments to the provisions.

Rules of Procedure for Shareholder Meetings (Draft)

- Article 1 The rules for compliance are stipulated in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for establishing the Company’s excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.
- Article 2 The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).
- Article 3 The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.

Changes in the method of convening the Shareholders’ Meeting of the Company shall be resolved by the Board of Directors, which shall be implemented no later than the sending of the notice of the Shareholders’ Meeting.

The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the MOPS 30 days prior to the annual meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the MOPS 30 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s.

On the day of the Shareholders’ Meetings, the Company shall provide shareholders with the handbook and supplementary materials of the meeting as mentioned in the preceding paragraph in the following manner:

1. When the Shareholders’ Meeting is held physically, they shall be distributed on-site at the Shareholders’ Meeting.
2. When the hybrid Shareholders’ Meeting is held, they shall be distributed on-site at the Shareholders’ Meeting as well as be posted in the form of electronic files on the video conference platform.
3. When the virtual-only Shareholders’ Meeting is held, they shall be posted in the form of electronic files on the video conference platform.

The reasons for convening the meeting shall be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the Shareholders’ Meeting, and the essential contents shall be explained. None of the above matters may be raised by a question and motion.

Where the agenda for calling the Shareholders’ Meeting has stated clearly the general re-election of directors, and the date of appointment, which date shall not be altered by means of questions and motions or otherwise at the same meeting after the re-election at the Shareholders’ Meeting is completed.

Shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation for discussion at a regular Shareholders’ Meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in

the meeting agenda. In addition, If a proposal proposed by a shareholder is in any of the circumstances in Subparagraph 4, Article 172-1 of the Company Act, the Board of Directors may not include it into the meeting agenda.

Shareholders may submit suggestive proposals for the purpose of urging the Company to promote public interests or fulfill social responsibilities, for which in term of the procedure only one proposal may be submitted pursuant to the relevant provisions of Article 172-1 of the Company Act. Where more than one proposal is submitted, all such proposals submitted shall not be included in the meeting 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 acceptance of proposal in writing or by way of electronic transmission, 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.

Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the Annual Meeting of Shareholders in person or by proxy and must participate in the proposal discussion.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 4 Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed.

It is limited to one proxy per shareholder and one proxy only that shall be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

After the proxy is delivered to the Company, if the shareholder intends to attend the Shareholders' Meeting via video conference instead, the shareholder shall notify the Company in writing of the revocation of said proxy two days prior to the Shareholders' Meeting; If the notice of such revocation is given after the aforementioned deadline, the voting right exercised by the appointed proxy shall prevail.

Article 5 The place of meeting of shareholders shall be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00, and the place and time of the meeting shall fully consider the opinions of independent directors.

When the Company holds a virtual-only Shareholders' Meeting, it is not subject to the restriction on the place of the meeting in the preceding paragraph.

Article 6 The Company shall specify in the meeting notice the time and place for accepting the attendance registration of shareholders, proxy solicitors, and appointed proxies (hereinafter referred to as the Shareholders), as well as other matters to be noted.

The time for accepting shareholders' attendance registration in the preceding paragraph shall start at least 30 minutes prior to the commencement of the meeting; The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration shall be deemed to be attending the shareholders meeting in person.

The Company shall have the attendance registry ready for the signature of the attending shareholders, or the attending shareholders may have the signature card submitted as an alternative to the signature.

The Company shall have the annual meeting handbook, annual reports, attendance pass, speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots shall be distributed for the election of directors, if applicable.

Shareholders shall attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. The Company shall not arbitrarily add requirements for other documents to be presented to attend the Shareholders' Meeting. Proxy solicitors shall have identity documents with them for examination.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

Shareholders who intend to attend the Shareholders' Meeting via video conference shall register with the Company two days prior to the Shareholders' Meeting.

If the Shareholders' Meeting is held by video conference, the Company shall upload the meeting manual, annual report, and other relevant materials on the video conference platform at least 30 minutes prior to the commencement of the meeting, the disclosure of which shall continue until the end of the meeting.

Article 6-1 When the Company holds a Shareholders' Meeting via video conference, the following items shall be specified in the meeting notice of the Shareholders' Meeting:

1. Methods for shareholders to participate in video conferences and exercise their rights.
2. The method of dealing with obstacles caused by natural disasters, accidents or other force majeure events to the video conferencing platform or to the participation in the meeting via video conference shall include at least the following items:
 - (1) The time when the meeting has to be postponed or resumed due to the occurrence of the foregoing obstacles that cannot be removed, and the date of the meeting to be postponed or resumed.
 - (2) Shareholders that have not registered to participate in the original Shareholders' Meeting via video conference shall not participate in the postponed or resumed meeting.
 - (3) For the hybrid Shareholders' Meeting, if the video conference cannot be continued, the Shareholders' Meeting shall continue provided that after deducting the number of shares attending the Shareholders' Meeting via video conference, the total number of shares in attendance reaches the quorum for the Shareholders' Meeting, in which circumstances the number of shares attending the Shareholders' Meeting by video conference shall be included in the total number of shares in attendance by shareholders; nevertheless, such shareholders shall be deemed to have waived the voting rights on all the proposals to be resolved at the Shareholders' Meeting.
 - (4) The method of dealing with the situation where the results of all the proposals have been announced without having proceeded with the extempore motion.
3. When the Company convenes a Shareholders' Meeting via video conference, it shall specify the appropriate alternative measure provided for shareholders that would have difficulty in participating in the video conference.

Article 7 If the meeting of shareholders is convened by the Board, the chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his powers for certain reasons, the vice chairman is to chair the meeting. If a vice chairman is not appointed or the vice chairman is also on leave or is unable to perform his duties for certain reasons, the chairman is to appoint one of the managing directors to chair the meeting. If a managing director is not appointed, one of the directors is appointed to chair the meeting. If a

representative is not appointed by the chairman, one of the managing directors or directors shall be elected among the board members to chair the meeting.

Where the managing director or the director is to act on behalf of the chairperson referred to in the preceding paragraph, the managing director or director shall have served the Company for six months or more and understand the Company's finance and business conditions. The same shall apply if the chairperson is the representative of the corporate director.

The chairman shall preside over the Shareholders' Meeting convened by the Board of Directors in person. It is advisable that more than half of the directors of the Board of Directors, at least one independent director shall attend the meeting in person, and at least one member of various functional committees shall attend the meeting. The attendance status shall be recorded in the minutes of the Shareholders' Meeting.

If the Shareholders' Meeting is convened by a person with the right to convene other than the board members, the person with the right to convene shall serve as the chairperson; if there are two or more persons with the right to convene, one of them shall be elected from each other to serve as the chairperson.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 8 The Company shall have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it shall be reserved until the end of the proceedings.

If the Shareholders' Meeting is held by video conference, the Company shall keep and preserve records of the shareholder registry, registration, attendance registration, questioning, voting, the Company vote counting results, and other materials, and make the audio and video recording of the entire process of the video conference continuously without interruption.

The Company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of its existence, and provide the audio and video recordings to the one appointed to handle the video conferencing affairs for preservation.

Article 9 Attendance of the meeting of shareholders shall be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted as well as the number of shares registered for the attendance on the video conferencing platform, plus the votes exercised in writing or by electronic means.

The chairperson shall call the meeting to order at the meeting time. At the same time, the chairperson will announce the relevant information such as the number of non-voting rights and the number of shares presented.

If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the chairperson may announce to have the meeting aborted; If the Shareholders' Meeting is held by video conference, the Company shall also announce the adjournment of the meeting on the Shareholders' meeting video conference platform separately.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders shall be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month; If the Shareholders' Meeting is held by video conference, shareholders that intend to attend by video conference shall re-register with the Company in accordance with Article 6.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairman may have the pseudo-resolution

presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 10 If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board; and the relevant motions (including questions and motions and amendments to the original motions) shall all be voted by means of case-by-case. Also, the meeting shall be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

The chairperson may not have the meeting adjourned at his discretion before the proposals (including questions and motions) resolved in the two agendas referred to above. If the chairman has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the chairman with the majority votes of the attending shareholders to continuously chair the meeting.

A chairperson who believes that the proposal under discussion is ready for voting may at his discretion stop the discussion and call for a vote.

Article 11 Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the chairperson is to determine the order of speakers.

Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the chairperson. However, the chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal. The chairperson may reply to the speaking shareholders personally or by the designated personnel.

If the Shareholders' Meeting is convened by video conference, shareholders that participate in the video conference may raise questions in text on the Shareholders' meeting video conference platform after the chairperson calls the meeting in order and before the meeting announces adjournment of the meeting. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The provisions of Paragraphs 1 to 5 shall not apply.

Article 12 Resolutions of the meeting of shareholders shall be based on their shareholdings.

For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

The shares without votes referred to above are not included in the calculation of the attending shareholders' votes.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

Article 13 Shareholders are entitled to one vote per share; except for those subject to restrictions or the

non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act.

When the Company convenes a Shareholders' Meeting, it shall adopt electronic means for the exercise of the voting rights, which may also be exercised in writing; when the vote is cast in writing or by electronic means, the election method shall be stated in the notice of meeting of shareholders. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, with respect to questions and motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver, and therefore it is advisable that the Company shall avoid propose extempore motions and amendments to original motions.

For the votes exercised in writing or by electronic means referred to above, the intention shall be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person or via video conference shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. When voting, the chairperson or the designated person shall announce the total number of voting rights of the shareholders in attendance, and then the shareholders shall vote on a case-by-case basis. On the day of the Shareholders' Meeting, the results of the shareholders' approval, objection or waiver shall be entered on MOPS.

When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairperson is to appoint the scrutineers and counting officers who must be shareholders.

Ballot counting shall be held at the meeting place with the ballot counting result announced immediately and records kept.

When the Company holds the Shareholders' Meeting via video conference, shareholders participating in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairperson calls the meeting to order, and shall complete the voting before the chairperson announces the closing of the voting, after which time shareholders shall be deemed to have waived the voting rights.

If the Shareholders' Meeting is convened via video conference, after the chairperson announces the closing of the voting, the votes shall be counted at one attempt, and the voting and election results shall be announced.

When the Company holds the hybrid Shareholders' Meeting, shareholders that have registered to attend the Shareholders' Meeting via video conference in accordance with the provisions of Article 6 intending to attend the physical Shareholders' Meeting in person shall revoke the prior registration in the same manner as the prior registration two days prior to the Shareholders' Meeting; shareholders that revoke the prior registration after the foregoing deadline may only attend the Shareholders' Meeting via video conference.

Shareholders that exercise voting rights in writing or electronically without revoking their expression of intention and participate in the Shareholders' Meeting by video conference shall not vote on the original proposal or the amendment to the original proposal, and shall not propose the amendment to the original proposal either, except that they may raise extempore motions and vote thereon.

Article 14 The election of directors held at the meeting of shareholders shall be arranged in accordance

with the Company's election specifications and with the election results announced immediately at the meeting place, including the list of the directors-elect and the number of voting rights won, as well as the list of unselected directors and the number of voting rights obtained.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it shall be reserved until the end of the proceedings.

Article 15 The resolutions reached in the meeting of shareholders shall be documented in the minutes of meeting and signed or sealed by the chairman; also, it shall be uploaded to the MOPS within 20 days after the meeting adjournment.

The minutes of meeting shall be prepared in accordance with the year, month, date, place, name of the chairperson, the resolution method, and a summary of the deliberations and the results of the voting (including the statistical weight) to be stated therein. Where the election of directors is proceeded, the ballot weight received by each candidate shall be disclosed, which shall be permanently reserved throughout the duration of the Company.

If the Shareholders' Meeting is held via video conference, the details as to the start and end time of the meeting, the method of convening the meeting, the name of the chairman and the recorder, and the handling method and handling status thereof when the video conferencing platform or participation in video conferencing is hindered due to natural disasters, accidents or other force majeure events, in addition to the matters to be recorded in accordance with the preceding paragraph, shall also be included in the minutes of the Shareholders' Meeting
If the Shareholders' Meeting is held via video conference, in addition to proceeding therewith in accordance with the provisions of the preceding paragraph, for shareholders with digital gaps, the alternative measure as provided shall also be specified in the meeting minutes.

Article 16 The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy and the number of shares attended by shareholders in writing or electronically prepared in the specific format during the meeting of the shareholders commencement date and disclosed in the meeting. If the Shareholders' Meeting is held by video conference, the Company shall upload the aforementioned information to the shareholders' meeting video conference platform at least 30 minutes prior to the commencement of the meeting, the disclosure of which shall continue until the closure of the meeting.

When the Company holds the Shareholders' Meeting via video conference calling the meeting to order, the total number of shares of shareholders in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders in attendance are counted separately during the meeting.

For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.

Article 17 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

The chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order shall wear an armband with "Marshal" affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the chairperson may stop shareholders who do not use the speaking device provided by the Company from speaking.

The chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

- Article 18 The chairperson may announce the meeting in recess. The chairperson may rule to have the meeting suspended temporarily under unruly circumstance and have the meeting resume depending on the situation.
- If the meeting place cannot be used continuously before the proposals (including questions and motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.
- The meeting of shareholders may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.
- Article 19 If the Shareholders' Meeting is held by video conference, the Company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the closure of the voting, which closure shall continue at least 15 minutes after the chairperson announces the adjournment of the meeting.
- Article 20 When the Company holds the Shareholders' Meeting via video conference, the chairperson and recorder shall be present at the same location within the country, and the chairperson shall announce the address of the meeting venue when the meeting is held.
- Article 21 If the Shareholders' Meeting is held via video conference, the Company may provide shareholders with a simple connection test prior to the meeting, and provide relevant real time services before the meeting as well as during the meeting so as to assist shareholders in dealing with technical problems in communications.
- If the Shareholders' Meeting is convened via video conference, the chairperson shall, when calling the meeting to order, separately announce that, except for the circumstances specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies where there shall be no need to postpone or resume the meeting, if the video conferencing platform or participation in the video conference is obstructed which has lasted for 30 or more minutes due to natural disasters, accidents, or other force majeure events, the date of the meeting shall be postponed or resumed within five days thereof prior to announcing the adjournment of the meeting, to which the provisions of Article 182 of the Company Act shall not apply.
- Shareholders that have not registered to participate in the original Shareholders' Meeting via video conference shall not participate in the postponed or resumed meeting in the event of the occurrence of the obstruction in the preceding paragraph.
- For the meeting that shall be postponed or resumed in accordance with the provisions of Paragraph 2, shareholders that have registered to participate in the original Shareholders' Meeting and completed the attendance registration through video conference but have failed to participate in the postponed or resumed meeting, the number of shares in attendance at the original Shareholders' Meeting, the voting rights and election rights already exercised shall be included in the total number of shares in attendance, the voting rights and election rights of shareholders in attendance at the postponed or resumed meeting.
- When postponing or resuming the Shareholders' Meeting in accordance with the provisions of Paragraph 2, no re-discussion and re-resolution shall be required for proposals that have been completed with the voting and counting, and the voting results or the list of the directors elect have been announced.
- When the Company convenes a hybrid Shareholders' Meeting and the video conference cannot be continued due to the occurrence in Paragraph 2, if the total number of shares in attendance after deducting the number of shares attending the Shareholders' Meeting via video-conference still reaches the quorum for convening the Shareholders' Meeting, the Shareholders' Meeting shall continue and there shall be no need to postpone or resume the meeting in accordance with the provisions of Paragraph 2.
- In the event that the meeting shall continue as per the preceding paragraph, the number of shares of the shareholders that participate in the Shareholders' Meeting via video conference shall be included in the total number of shares of the shareholders in attendance, provided that they shall be deemed to have waived the voting rights on all the proposals to be resolved

at said Shareholders' Meeting.

When the Company postpones or resumes the meeting in accordance with the provisions of Paragraph 2, it shall follow the provisions of Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and handle relevant preliminary work in accordance with the original date of the Shareholders' Meeting and the provisions of relevant articles.

The period specified in second part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the Shareholders' Meeting in accordance with the provisions of Paragraph 2.

Article 22 When the Company holds a Shareholders' Meeting via video conference, it shall provide appropriate alternative measures for shareholders that would have difficulties in attending the Shareholders' Meeting via video conferencing.

Article 23 The Rules of Procedure for Shareholder Meetings is implemented after the resolution reached in the meeting of shareholders, so is the amendment and revocation.

Resolved in the Annual Meeting of Shareholders on June 20, 1998.

Resolved in the Annual Meeting of Shareholders on June 13, 2013.

Resolved in the Annual Meeting of Shareholders on June 28, 2019.

Resolved in the Annual Meeting of Shareholders on June 30, 2020.

Resolved in the Annual Meeting of Shareholders on July 1, 2021.

Resolved in the Annual Meeting of Shareholders on May 17, 2022.

Resolved in the Annual Meeting of Shareholders on--.,2023.

Discussions No. 4

Proposal: Amendments to Procedure for Handling Acquisition or Disposal of Assets of this Company, please proceed to discuss.

Explanation:

1. As per the decree No.: Chin-Kuan-Cheng-Fa- Tzu-1110380465 dated January 28, 2022 issued by the Financial Supervisory Commission that amended the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, part of the provisions of the “Procedure for Handling Acquisition or Disposal of Assets of this Company” are hereby amended in response thereto.
2. Attached hereto are the draft Articles of Incorporation, the comparison table of the amendments to part of the provisions, and the announcement format. (Please refer to pages 91-126 of this Manual for details).

Resolutions:

The Comparison table of the amendments for “Taichung Commercial Bank’s Procedure for Handling Acquisition or Disposal of Assets

Clauses after the amendment	Existing clauses	Remark
<p>Article 5 Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Omitted <p>When the personnel of the preceding paragraph <u>issue</u> the appraisal report or opinion, it shall be handled in accordance with <u>the self-regulatory rules of the trade association to which the personnel belong as well as the</u> following matters:</p> <ol style="list-style-type: none"> 1. Omitted 2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or pinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 	<p>Article 5 Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Omitted <p>When the personnel of the preceding paragraph <u>issues</u> the appraisal report or opinion, it shall be handled in accordance with the following matters:</p> <ol style="list-style-type: none"> 1. Omitted 2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or pinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal 	<p>As per the decree No.: Chin-Kuan-Cheng-Fa-Tzu-1110380465 dated January 28, 2022 amending the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” with regard to improving the quality of opinions issued by external experts, Paragraph 2, Subparagraphs 2, 3 and 4 of Paragraph 2 are hereby amended in response thereto.</p>

Clauses after the amendment	Existing clauses	Remark
<p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriateness and</u> reasonable that they have complied with applicable laws and regulations</p>	<p>report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	
<p>Article 10 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy 	<p>Article 10 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of 	<p>As per the decree No.: Chin-Kuan-Cheng-Fa-Tzu-1110380465 dated January 28, 2022 amending the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, part of the text in Subparagraph 3 is hereby deleted in response thereto.</p>

Clauses after the amendment	Existing clauses	Remark
<p>and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	<p>Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	
<p>Article 11 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price, and <u>if</u> the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>Article 11 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price, and <u>if</u> the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement</p>	<p>As per the decree No.: Chin-Kuan-Cheng-Fa-Tzu-1110380465 dated January 28, 2022 amending the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, part of the text in Paragraph 1 is hereby deleted in response thereto.</p>

Clauses after the amendment	Existing clauses	Remark
	does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
<p>Article 12 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 12 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>As per the decree No.: Chin-Kuan-Cheng-Fa-Tzu-1110380465 dated January 28, 2022 amending the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, part of the text in Paragraph 1 is hereby deleted in response thereto.</p>
<p>Article 16 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds and separate and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit</p>	<p>Article 16 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds and separate and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit</p>	<ol style="list-style-type: none"> 1. As per the decree No.: Chin-Kuan-Cheng-Fa-Tzu-1110380465 dated January 28, 2022 amending the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” with regard to strengthening the management of related party transactions 2. Paragraph 2 of the existing article is relocated to Paragraph 5 of the amended article, and the text thereof is revised as appropriate in response to the

Clauses after the amendment	Existing clauses	Remark
<p>Committee:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Omitted 4. Omitted 5. Omitted 6. Omitted 7. Omitted <p>When a matter is submitted for discussion by the Board of Directors pursuant to paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 1, subparagraphs 2 and 3.</p> <p><u>When the Company or its subsidiary that is not a domestic public company has the transaction in Paragraph 1, where the transaction amount reaches 10% or more of the Company's total assets, it shall submit the materials listed in the various subparagraphs of Paragraph 1 to the Shareholders' Meeting for approval before proceeding with signing of the transaction contract and making payments. However, this shall not apply to transactions between the Company and its</u></p>	<p>Committee:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Omitted 4. Omitted 5. Omitted 6. Omitted 7. Omitted <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 1, subparagraphs 2 and 3.</p>	<p>added Paragraph 4.</p> <p>3. The calculation of the revised transaction amount shall be included in the transaction to be submitted to the Shareholders' Meeting for approval.</p>

Clauses after the amendment	Existing clauses	Remark
<p><u>subsidiary, or between the Company's subsidiaries.</u></p> <p>The calculation of the transaction amount in <u>Paragraph 1</u> and the preceding paragraph shall be handled in accordance with the provisions of Paragraph 2 of Article 28, and the term “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. The part that has been submitted to the Audit Committee, the Board of Directors, and the <u>Shareholders’ Meeting</u> for approval in accordance with the provisions of this Procedure shall be exempted from being counted toward the transaction amount again.</p>		
<p>Article 28 The standards for making public announcements and regulatory filing</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Omitted 4. Omitted 5. Omitted 6. Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by the Company, or an investment in the mainland China area reaches 20 percent or more of paid-in capital of the Company or NT\$300 million; provided, this shall not apply to the following circumstances: <ol style="list-style-type: none"> (1) Trading of domestic 	<p>Article 28 The standards for making public announcements and regulatory filing</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Omitted 2. Omitted 3. Omitted 4. Omitted 5. Omitted 6. Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by the Company, or an investment in the mainland China area reaches 20 percent or more of paid-in capital of the Company or NT\$300 million; provided, this shall not apply to the following circumstances: <ol style="list-style-type: none"> (1) Trading of domestic 	<p>As per the decree No.: Chin-Kuan-Cheng-Fa-Tzu-1110380465 dated January 28, 2022 amending the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” with regard to relaxation of information disclosure requirements for certain transactions, Subparagraph 6 (1) and (2) are hereby amended in response thereto.</p>

Clauses after the amendment	Existing clauses	Remark
<p>government bonds or <u>foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds</u>, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Omitted</p>	<p>government bonds.</p> <p>(2) The Company's securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Omitted</p>	

The “Procedural Rules for Acquisition or Disposal of Assets of Taichung Commercial Bank”(Draft)

Article 1 For the management of assets, Taichung Commercial Bank Co., Ltd. (hereinafter referred to as the “Company”) enacted the Procedure for Handling Acquisition or Disposal of Assets (hereinafter referred to as the “Procedure”) in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies,” issued by the competent authority.

Article 2 For acquisition or disposal of assets by the Company, it shall be subject to the provisions of the Procedure. However, if there are other provisions of the financial related laws and regulations stated otherwise, such provisions shall prevail.

For the Company to conduct the business of derivatives or engage in the derivatives trading, it shall be subject to the relevant provisions issued by the competent authority and “Operational Strategy and Procedural Guidelines for Conducting Derivative Financial Commodity” issued by the Competent.

Article 3 The term “assets” as used in these Regulations includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property) and equipment.
3. Memberships
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets
6. Claims of Taichung Commercial Bank (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets

Article 4 The terms used in the Procedure are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration

therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 5

Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When the personnel of the preceding paragraph issue the appraisal report or opinion, it shall be handled in accordance with the self-regulatory rules of the trade association to which the personnel belong as well as the following matters:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and

independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriateness and reasonable that they have complied with applicable laws and regulations

- Article 6 The enactment of Procedure for Handling Acquisition or Disposal of the Company:
1. The enactment or amendment of this Procedure shall be approved by more than one-half of all members of the Audit Committee and shall be submitted to the Board of Directors for a resolution.
 2. If the preceding subparagraph is not approved by more than one-half of all members of the Audit Committee, it may be agreed by more than two-thirds of all directors, and the resolution of the Audit Committee shall be stated in the minutes of the Board of Directors.
 3. All members of the Audit Committee referred to in subparagraph 1 and all directors referred to in the preceding subparagraph shall be calculated by the actual incumbent.

Article 7 The operating procedure for the acquisition or disposal of assets of the Company include the reference basis, trading term, authorization level and executive unit, etc., shall be handled in accordance with the law, the relevant regulations of the competent authority, the levels of responsibilities chart of the Company, and the related operational specifications:

1. Securities: they shall be subject to the relevant provisions of the Banking Act and the “investment policy” of the Company.
2. Real property or its right-of-use assets: they shall comply with the Banking Act, the relevant regulations of the competent authority and the standards of the “Management Rules for Real Estate” of the Company.
3. Membership card, intangible assets, equipment or its right-of-use assets: the purchase matters shall be handled based on the divisions of responsibilities under the “Operational Rules for Matters of Construction and the Purchase, Order of the Custom-made and Sale of the Property” of the Company.
4. The acquisition or disposal of the real estate and equipment shall be based on one of the price comparison, negotiation or bidding.
5. Derivatives: it is to be conducted by the Derivatives Investment Trading Department of the Company in accordance with the relevant regulations of the competent authority and the “Management Strategy for Operational Guidelines for Conducting Derivative Financial Commodity Business”.
6. The acquisition or disposal of other assets shall be subject to the relevant regulations of the Company.

The relevant operation regarding the acquisition or disposal of assets shall be all subject to the relevant provisions of the internal control system of the Company. In the event of major violations discovered, the related personnel shall be disciplined depending on the circumstances surrounding the violation.

Article 8 The total amount of the real estate not for business use and its right-of-use assets or the securities acquired by the Company and each of its subsidiaries, and the limits of individual securities shall be subject to the Banking Act and the regulations of the competent authority.

Article 9 The control procedure for the acquisition or disposal of assets by the subsidiary company:

1. The subsidiary company shall, in accordance with the relevant regulations and the provisions of the competent authority, enact and implement the procedure

for the acquisition or disposition of assets.

2. For the acquisition or disposal of assets by the subsidiary company, it shall be subject to the business competency rules of each subsidiary company.
3. The subsidiary company shall ensure that the procedure for the acquisition or disposal of assets enacted is in compliance with the relevant laws and regulations and check precisely whether the relevant matters are conducted in accordance with the procedure. The internal audit of the Company shall review the audit report or self-inspection report and other related matters of the subsidiary company.
4. The Company shall handle the relevant matters concerning the regulatory filing for the public announcement on behalf of the subsidiary company, in accordance with the provisions of Article 31.

Article 10

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 11

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted

prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 12 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price

Article 13 The calculation of the transaction amounts referred to in the preceding 3 articles shall be done in accordance with Article 28, paragraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 14 Where a public company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 15 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 13 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 16 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds and separate and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 17 and Article 18.
4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained

in compliance with the preceding article.

7. Restrictive covenants and other important stipulations associated with the transaction.

When a matter is submitted for discussion by the Board of Directors pursuant to paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 1, subparagraphs 2 and 3.

When the Company or its subsidiary that is not a domestic public company has the transaction in Paragraph 1, where the transaction amount reaches 10% or more of the Company's total assets, it shall submit the materials listed in the various subparagraphs of Paragraph 1 to the Shareholders' Meeting for approval before proceeding with signing of the transaction contract and making payments. However, this shall not apply to transactions between the Company and its subsidiary, or between the Company's subsidiaries.

The calculation of the transaction amount in Paragraph 1 and the preceding paragraph shall be handled in accordance with the provisions of Paragraph 2 of Article 28, and the term "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The part that has been submitted to the Audit Committee, the Board of Directors, and the Shareholders' Meeting for approval in accordance with the provisions of this Procedure shall be exempted from being counted toward the transaction amount again.

Article 17

The Company acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the

appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 18

When the results of a public company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 19. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures in accordance with the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle

refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 19

Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

1. Special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. Independent directors of Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company, having set aside a special reserve under the preceding paragraph, may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

For the Company's acquisition of the real estate or its right-of-use assets from the related party, if there is other evidence indicating that the transaction has abnormal business operations, it shall also be handled in accordance with the preceding two provisions.

Article 20

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 21

The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the Shareholders' Meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the Shareholders' Meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a Shareholders' Meeting to approve the merger, demerger,

or acquisition, this restriction shall not apply.

Where the Shareholders' Meeting of the Company fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the Shareholders' Meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next Shareholders' Meeting.

Article 22

The Company shall convene a Board of Directors meeting and Shareholders' Meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors' meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding 2 paragraphs.

Article 23

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 24

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.

2. An action, such as a disposal of major assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 25

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated Shareholders' Meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 26

After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's Shareholders' Meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another Shareholders' Meeting to resolve on the matter anew.

Article 27

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 22, Article 23, and the preceding article.

Article 28

The standards for making public announcements and regulatory filing

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or

right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds and separate and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by the Company, or an investment in the mainland China area reaches 20 percent or more of paid-in capital of the Company or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 - (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Article 29

Formats for public disclosure:

1. For the trading by the Company in the securities of its parent company, subsidiary company or its related enterprise from the domestic or overseas exchange markets or OTCs, the format for items and contents to be publicly disclosed is set out as Appendix 2.
2. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, the format for the items and contents to be publicly disclosed is set out as Appendix 3.
3. For the acquisition or disposal of real property, equipment or its right-of-use assets, and the related party transactions, the format for the public disclosure is set out as Appendix 4.
4. For the trading in securities, intangible assets or right-of-use assets thereof or memberships which are neither listed on an exchange nor has its shares traded on an OTC market, and the disposal of right of claim by the Company, the format for the public disclosure is set out as Appendix 5.
5. For the investment in the mainland China area, the format for public disclosure is set out as Appendix 6.
6. For the derivatives trading, the format for the public disclosure of information within 2 days counting inclusively from the date of occurrence of the event is set out as Appendix 7-1.
7. For the derivatives trading, the format for the public disclosure of information by the tenth of each month is set out as Appendix 7-2.
8. For the transaction in a merger, demerger, acquisition, or transfer of shares, the

announcement format is set out as Appendix 8.

- Article 30 Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with Article 28, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 3. Change to the originally publicly announced and reported information.
- Article 31 Information required to be publicly announced and reported in accordance with the provisions of Article 28 and Article 30 on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.
- The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 28, paragraph 1.
- Article 32 For the calculation of 10 percent of total assets under the Procedure, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.
- Article 33 Where it is not specified in the Procedure, it shall be subject to the relevant laws and regulations and the competent authorities.
- Article 34 After the Procedure is approved by the Board of Directors, it shall be submitted to the Shareholders' Meeting for approval. In the event of amendments, the procedure shall apply.

These Articles of Incorporation were set up on April 28, 1989.

The 1st amendment was implemented on October 29, 1991.

The 2nd amendment was implemented on May 27, 1995.

The 3rd amendment was implemented on December 28, 1999.

The 4th amendment was implemented on April 24, 2003.

The 5th amendment was implemented on June 15, 2007.

The 6th amendment was implemented on June 19, 2009.

The 7th amendment was implemented on June 6, 2012.

The 8th amendment was implemented on June 19, 2014.

The 9th amendment was implemented on June 21, 2016.

The 10th amendment was implemented on June 7, 2017.

The 11th amendment was implemented on June 28, 2019.

The -- amendment was implemented on -.

APPENDIX 1

The appraisal report shall specify the following items:

1. The items specified under the technical rules for the appraisal of real estate.
2. The matters related to the professional appraiser and appraisal officer.
 - (1) The name, capital amount, organizational structure and personnel composition of the professional appraiser.
 - (2) The name, age, and educational and career background (with certificates) of the appraisal officer; the number of years and duration being engaged in the appraisal work, and the number of cases undertaking the appraisal work.
 - (3) The relationship between the professional appraiser, appraisal officer and the principal of the appraisal.
 - (4) The appraisal report shall include a statement attesting to the professional competence and independence of the appraisal personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations, and the matters contained therein shall contain no misrepresentations or nondisclosures.
 - (5) The date on which the appraisal report is issued.
3. The basic information on the target surveyed shall include at least the name, nature, location, area and other information of the target.
4. A comparative example of real estate transactions in the target area.
5. For the types of the appraisal being limited price, specified price or special price, the limited, specified or special conditions; whether the current situation meets such conditions; the reason and rationality of the difference from the normal price; and whether such limited price, specified price or special price shall be sufficient to serve as the reference for the trading price.
6. In the case of a contract for joint construction, the reasonable allocation ratio between the two parties shall be stated.
7. Estimation of land value-added tax.
8. In the case that appraised value of a real estate at the same appraisal date among appraisers differs and the difference in value is in excess of 20 percent, whether it been handled in accordance with Article 41 of the Real Estate Appraiser Act.
9. The annex shall include the appraisal details of the target, the ownership registration material, the cadastral map transcript, the urban plan sketch, the location map of the target, the land use zoning certificate, and the current status of the target.

APPENDIX 2

(Applicable for the securities trading in the domestic and overseas centralized securities exchange markets or over-the-counter markets)

Announcement by the x x Co., Ltd.

Date:

The Company hereby announces the relevant information on the securities it acquired or disposed in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” as follows:

1. Name of the securities:
2. Date of the transaction: from (day) (month) (year) to (day) (month) (year)
3. Quantity: ; price per unit: NT\$; total amount: NT\$
4. If the transaction counterparty is a related party, the counterparty of the transaction: (ex. xx Incorporation); the relationship with the Company: (ex. the invested company re-invested by the Company holding xx% of its shares), the date that the Board of Directors passes the resolution: (day) (month) (year) ; the date of the supervisor's recognition: (day) (month) (year)
5. Gains (or losses) of disposition: NT\$
6. Accumulative quantity of the trading securities held to date (including this transaction): ; amount: NT\$; shareholding ratio: %; rights restricted: (ex. pledge)
7. Relationship with the target company of the transaction:
8. Ratio of the portfolio investment (including this transaction) to date accounting for the most recent financial report: total assets % ; total equity % ; the most recent financial report working capital (not applicable for the financial holding company, bank, bills finance and insurance industry) : NT\$
9. Specific purpose for the acquisition or disposition:
10. Whether or not objected by the director in this transaction:
11. Other statements:

Notes:

1. Item 4: If the counterparty of the transaction is a related party, the filing item “date of the supervisor's recognition” shall be the date of approval of the audit committee, if the audit committee has been set up in accordance with the provisions of the Act.
2. Item 5: not applicable for the securities acquired.
3. Item 8:
 - (1) The portfolio investment is the total amount (including this transaction) held by the Company to date of its own settlement; the total assets and total equity are the amounts specified in the most recent financial statements of the Company.
 - (2) If the securities are acquired with the working capital being negative, the source of the funds for acquiring the securities and the specific reason for acquiring the securities even under the situation of insufficient funds shall be additionally announced.

APPENDIX 3 (Applicable for the real property acquired where the land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale)

Announcement by the x x Co., Ltd.	Date:
<p>The Company hereby announces the relevant information on the xx assets it intends to acquire with the means of xx in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” as follows:</p>	
<ol style="list-style-type: none"> 1. Type of contract: 2. Date of the occurrence: from (day) (month) (year) to (day) (month) (year) 3. Contract counterparty: _____ ; the relationship with the Company: 4. If the transaction counterparty is a related party, the date that the Board of Directors passes the resolution: (day) (month) (year) ; the date of the supervisor's recognition: (day) (month) (year) 5. Total contract amount: NT\$; Estimated investment amount: NT\$ Duration of the contract: from (day) (month) (year) to (day) (month) (year) Limitation clauses: Other important agreements: 6. Name of firm or company of the professional appraiser: _____ ; appraisal result: NT\$ Name of real estate appraiser: _____ ; practicing license No. of the real estate appraiser: If the appraisal result has material difference, the reason for such difference and the accountant's opinion: Name of accounting firm: _____ ; certified public accountant name: _____ ; practicing license No. of the certified public accountant: Whether the appraisal report adopts a limited price, a specified price or special price: Whether the appraisal report has not been obtained: _____ ; reasons for not yet obtaining the appraisal report: 7. Specific purpose for the acquisition: 8. Whether or not objected by the director in this transaction: 9. Other statements: 	

Notes:

1. Item 2: The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
2. Item 4: If the counterparty of the transaction is a related party, the filing item “date of the supervisor's recognition” shall be the date of approval of the audit committee, if the audit committee has been set up in accordance with the provisions of the Act.
3. Item 5: Other important agreements shall indicate whether there is a repurchase (reverse) agreement, cancellation of the contract or other uncertain or special terms.
4. Item 6:
 - (1) Not applicable for the real property acquired where the land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land; the appraisal result shall indicate the appraiser's assessment opinion on the reasonableness of the cooperation mode of the contract.
 - (2) When the reference price of the transaction price is based on a limited price, a specified price or a special price, the normal price and the appraisal result of the limited price or specified price shall be announced separately.

- (3) Non-related party transactions: based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 20 percent or more of paid-in capital, or NT\$300 million or more, a professional appraisal report or a certified public accountant opinion shall be obtained.
- (4) Related party transactions: based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 20 percent or more of paid-in capital, or NT\$300 million or more, or 10 percent or more of the Company's total assets, a professional appraisal report or a certified public accountant opinion shall be obtained.
- (5) In the case of a company with shares having no par value or a par value other than NT\$10, based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 10 percent or more of the equity attributed to the shareholders of the parent company, or NT\$300 million or more, a professional appraisal report or a CPA opinion shall be obtained.
- (6) If the appraisal results of the acquired asset are all higher than the transaction price, or the appraisal results of the disposed assets are all lower than the transaction price, it shall not be necessary to obtain another certified public accountant opinion.

Announcement by the x x Co., Ltd.

Date:

The Company hereby announces the relevant information on the xx assets it acquired/disposed in accordance with the “

Regulations Governing the Acquisition or Disposal of Assets by Public Companies” as follows:

1. Name and type of the target: (ex. the land located in xx subsection, xx section, northern district, Taichung City)
2. Date of the occurrence: (day) (month) (year)
3. Quantity of trading units: (ex. xx square meters, equivalent to xx ping); price per unit: NT\$; total amount: NT\$
4. Counterparty of the transaction: (ex. xx Co., Ltd.); the relationship with the Company: (ex. the invested company re-invested by the Company holding xx% of its shares)
5. If the transaction counterparty being a related party:
 - (1) Date of adoption by the Board of Directors: the date that the Board of Directors passes the resolution: (day) (month) (year) ; the date of the supervisor's recognition: (day) (month) (year)
 - (2) If the real estate or its right of-use assets is acquired from a related party, the appraisal price in accordance with the provisions of Articles 16 and 17 of the Criteria:
6. Reasons for selecting the related party for the transaction:

Owner of the previous transfer: ; relationship with the Company: ;
relationship with the counterparty of the transaction:
Last transfer date: (day) (month) (year) ; amount: NT\$
7. The owner within the last 5 years of the transaction target has been the Company's related party:

Date of the acquisition by the related party: (day) (month) (year); acquisition price: NT\$;
relationship with the Company at the time of acquisition:
Date of the disposal by the related party: (day) (month) (year); disposition price: NT\$;
relationship with the Company at the time of disposition:
8. Estimated gains (or losses) from the disposition: NT\$
9. Terms on delivery or payment (including payment period and amount):

Limitation clauses:
Other important agreements:
10. Type of transaction decided: (ex. bidding, price comparison or bargaining)

Reference basis for price decision:
Decision made by:
11. Name of firm or company of the professional appraiser: ; appraisal amount: NT\$

Name of professional appraiser: ; practicing certificate No. of the professional appraiser: ; when the appraisal results have significant difference, the reason for such difference and the certified public accountant's opinion:
Name of accounting firm: ; certified public accountant name: ;
certified public accountant practicing certificate No.:_ ;
Whether the appraisal report adopts a limited price, a specified price or a special price:
Whether the appraisal report has not yet obtained: ; reasons for not yet obtaining the appraisal report:
12. Broker:

Brokerage fee: NT\$
13. Specific purpose for the acquisition or disposition:
14. Whether or not objected by the director in this transaction:
15. Other statements:

Notes:

1. Item 2: The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
2. Item 4: If the counterparty of the transaction is a natural person without being a related party of the Company, it is exempted to disclose the name.
3. Item 5: If the counterparty of the transaction is a related party, the filing item “date of the supervisor's recognition” shall be the date of approval of the audit committee, if the audit committee has been set up in accordance with the provisions of the Act.
4. Item 8: not applicable for the acquisition of assets; if deferred gains (or losses) out of disposition are expected, a list shall be made to explain on the recognition.
5. Item 9: Other important agreements shall indicate whether there is a repurchase (reverse) agreement, cancellation of the contract or other uncertain or special terms. In the case of the right-of-use asset, the lease term, whether the priority lease or rent exists upon lease expiration, and other important matters regarding the lease shall be indicated.
6. Item 11:
 - (1) When the reference price of the transaction price is based on a limited price, a specified price or a special price, the normal price and the appraisal result of the limited price or specified price shall be announced separately.
 - (2) Non-related party transactions: based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 20 percent or more of paid-in capital, or NT\$300 million or more, a professional appraisal report or a certified public accountant opinion shall be obtained.
 - (3) Related party transactions: based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 20 percent or more of paid-in capital, or NT\$300 million or more, or 10 percent or more of the Company's total assets, a professional appraisal report or a certified public accountant opinion shall be obtained.
 - (4) In the case of a company with shares having no par value or a par value other than NT\$10, based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 10 percent or more of the equity attributed to the shareholders of the parent company, or NT\$300 million or more, a professional appraisal report or a certified public accountant opinion shall be obtained.
 - (5) If the assets are acquired or disposed of by the court auction procedure, the certificate issued by the court may be used instead of the appraisal report or certified public accountant's opinion.
 - (6) If the appraisal results of the acquired real estate, equipment or its right-of-use assets are all higher than the transaction price, or the appraisal results of the disposed real estate, equipment or its right-of-use assets are all lower than the transaction price, it shall not be necessary to obtain another certified public accountant opinion.

APPENDIX 5

(Applicable for trading in the securities, intangible assets or its right-of-use assets, membership certificate and the right of claims disposed by the Company not on the centralized securities exchange market or over-the-counter market)

Announcement by the x x Co., Ltd.

Date:

The Company hereby announces the relevant information on xx securities (intangible assets or its right-of-use assets, membership certificate, the right of claims) it acquired or disposed in accordance with the “ Regulations Governing the Acquisition or Disposal of Assets by Public Companies” as follows:

1. Transaction target: (in case of preferred stocks, the terms and conditions of its issuance shall be indicated, such as the dividend yield ratio.)
2. Date of the occurrence: (day) (month) (year)
3. Quantity of trading units: ; price per unit: NT\$; total amount: NT\$
4. Counterparty of the transaction: (ex. xx Co., Ltd.); the relationship with the Company: (ex. the invested company re-invested by the Company holding xx% of its shares)
5. If the transaction counterparty being a related party, the date of resolution passed by the Board of Directors: (day) (month) (year) ; the date of the supervisor's recognition: (day) (month) (year)
6. Reasons for selecting the related party for the transaction:
Owner of the previous transfer: ; relationship with the Company: ;
relationship with the counterparty of the transaction:
Last transfer date: (day) (month) (year) ; amount: NT\$
7. The owner within the last 5 years of the transaction target has been the Company's related party:
Date of the acquisition by the related party: (day) (month) (year); acquisition price: NT\$; relationship with the Company at the time of acquisition:
Date of the disposal by the related party: (day) (month) (year); disposition price: NT\$;
relationship with the Company at the time of disposition:
8. The relevant matters concerning the disposition of the right of claims:
 - (1) The type of collateral attached to the right of claims disposed:
 - (2) If such disposition is concerning the right of claims toward the related party:
Name of the related party: ;
Face value of this disposition of the right of claims toward such related party:
9. Gains (or losses) from the disposition: NT\$
10. Terms on delivery or payment (including payment period and amount):
Limitation clauses of the contract:
Other important agreements:
11. Method of transaction decision: ;
decision made by:
Reference basis for price decision:
Net value per share of the target company of the securities acquired or disposed:
12. Whether the certified public accountant issued an opinion that the transaction price is reasonable:
Name of accounting firm: ; certified public accountant name: ; certified public accountant practicing certificate No.:
13. Accumulative quantity of the trading securities held to date (including this transaction): ; amount: NT\$; shareholding ratio: %; rights restricted: (ex. pledge)
14. Ratio of the portfolio investment (including this transaction) to date accounting for the most recent financial report: total assets % ; total equity % ; the most recent financial report working capital (not applicable for the financial holding company, bank, bills finance and insurance industry) : NT\$
15. Broker: ; brokerage fee: NT\$
16. Specific purpose for the acquisition or disposition:
17. Whether or not objected by the director in this transaction:
18. Other statements:

Notes:

1. Item 2: The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
2. Item 4: If the counterparty of the transaction is a natural person without being a related party of the Company, it is exempted to disclose the name.
3. Item 5: If the counterparty of the transaction is a related party, the filing item “date of the supervisor's recognition” shall be the date of approval of the audit committee, if the audit committee has been set up in accordance with the provisions of the Act.
4. Item 9: not applicable for the acquisition of securities; if deferred gains (or losses) out of disposition are expected, a list shall be made to explain on the recognition.
5. Item 10: Other important agreements shall indicate whether there is a repurchase (reverse) agreement, cancellation of the contract or other uncertain or special terms. In the case of the right-of-use asset, the lease term, whether the priority lease or rent exists upon lease expiration, and other important matters regarding the lease shall be indicated.
6. Item 12:
 - (1) Non-related party transactions: based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 20 percent or more of paid-in capital, or NT\$300 million or more, a professional appraisal report or a certified public accountant opinion shall be obtained.
 - (2) Related party transactions: based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 20 percent or more of paid-in capital, or NT\$300 million or more, or 10 percent or more of the Company's total assets, a professional appraisal report or a certified public accountant opinion shall be obtained.
 - (3) In the case of a company with shares having no par value or a par value other than NT\$10, based on the date of occurrence of the current transaction, the transaction amount within the preceding year reaches 10 percent or more of the equity attributed to the shareholders of the parent company, or NT\$300 million or more, a professional appraisal report or a certified public accountant opinion shall be obtained.
 - (4) If the assets are acquired or disposed of by the court auction procedure, the certificate issued by the court may be used instead of the appraisal report or certified public accountant's opinion.
7. Item 14:
 - (1) The portfolio investment is the total amount (including this transaction) held by the Company to date of its own settlement; the total assets and total equity are the amounts specified in the most recent financial statements of the Company.
 - (2) If the securities are acquired with the working capital being negative, the source of the funds for acquiring the securities and the specific reason for acquiring the securities even under the situation of insufficient funds shall be additionally announced.

APPENDIX 6 (Applicable for investment in mainland China area)

The Company hereby announces the relevant information on the investment in mainland China are in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” as follows:

1. Increased (decreased) investment portion in this transaction:
 - (1) Date of the occurrence: (day) (month) (year)
 - (2) Investment method:
 - (3) Quantity of trading units: ; price per unit: NT\$; total amount: NT\$
 - (4) Information on the invested company in mainland China:
 - 1 Name of the Company:
 - 2 Paid-in capital: NT\$
 - 3 Intended capital increase in this transaction: NT\$
 - 4 Major business items:
 - 5 Financial statements of the most recent year:
 - Type of CPA's opinion: ; total equity: ; profit and loss amount:
 - 6 Actual investment amount to date in the invested company of mainland China of this transaction:
 - (5) Counterparty of the transaction: ; relationship with the Company:
 - (6) If the transaction counterparty being a related party, the date of resolution passed by the Board of Directors: (day) (month) (year) ; the date of the supervisor's recognition: (day) (month) (year)
 - (7) Reasons for selecting the related party for the transaction:
 - Owner of the previous transfer: ; relationship with the Company: ; relationship with the counterparty of the transaction: ; last transfer date: (day) (month) (year) ; amount: NT\$
 - (8) The owner within the last 5 years of the transaction target has been the Company's related party:
 - Date of the acquisition by the related party: (day) (month) (year); acquisition price: NT\$; relationship with the Company at the time of acquisition:
 - Date of the disposal by the related party: (day) (month) (year); disposition price: NT\$; relationship with the Company at the time of disposition:
 - (9) Gains (or losses) of disposition:
 - (10) Terms on delivery or payment (including payment period and amount): ; limitation clauses of the contract: ; Other important agreements:
 - (11) Method of transaction decision: ; decision made by: ; reference basis for price decision:
 - (12) Whether the certified public accountant issued an opinion that the transaction price is reasonable:
 - Name of accounting firm: ; certified public accountant name: ; certified public accountant practicing certificate No.:
 - (13) Broker:
 - (14) Specific purpose for the acquisition or disposition:
 - (15) Whether or not objected by the director in this transaction:
2. Total investment amount in the mainland China to date:
 - (1) The total amount of investment approved by the Investment Commission (MOEAIC) in the mainland China area (including this investment): NT\$
 - Paid-in capital: %
 - accounting for the total assets ratio of the most recent financial statements: %
 - Total equity: %
 - (2) The actual total amount of investment in the mainland China area: NT\$
 - Paid-in capital: %
 - accounting for the total assets ratio of the most recent financial statements: %
 - Total equity: %
 - The amount of gains or losses recognized in the past three years for the investment in mainland China: NT\$, NT\$, NT\$
 - The amount of profit remitted back in the last three years: NT\$, NT\$
3. Other statements:

Notes:

1. Investing in the mainland China area includes the following investment methods:

- (1) Direct investments in the Company of the mainland China.

- (2) Remittances from the third region to invest the Company of the mainland China.
 - (3) Investments in establishing a company in the third region to reinvest in the Company of the mainland China.
 - (4) Investments in an existing company in the third region to reinvest in the Company of the mainland China.
 - (5) Other methods of investment in the mainland China.
2. Item 1 (1): The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
 3. Item 1 (6): If the counterparty of the transaction is a related party, the filing item “date of the supervisor's recognition” shall be the date of approval of the audit committee, if the audit committee has been set up in accordance with the provisions of the Act.

APPENDIX 7-1 (Applicable for public disclosure of Information on engaging in the derivatives trading within 2 days counting inclusively from the date of occurrence of the event)

Announcement by the x x Co., Ltd.

Date:

The Company hereby announces the relevant information on engaging in the derivatives trading in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” as follows:

1. Type of contract (Note 1):
2. Date of the occurrence:
3. Amount of the contract (Note 2):
4. Amount of the margin (or premium) paid:
5. Reasons for engaging in derivatives(Note 3):
6. Amount of losses assessed at fair value (including realized and unrealized):
Maximum amount of losses for overall or individual contracts under the Handling Procedure:
Reasons for losses and impact on the Company:
7. Contract period:
8. Limitation clauses:
9. Other important agreements:
10. Other statements:

Note 1: The type of contract shall indicate the futures contract, the forward contract, the exchange or the option contract.

Note 2: The contract notional amount shall disclose the principal amount, fixed amount, denomination or other similar amount of the contract.

Note 3: The reason for engaging in derivatives transactions; the purpose is for trading or for hedging. For the purpose of hedging, the hedged item, its amount and profit and loss status shall be indicated.

Note 4: The embedded derivatives commodity that are separately recognized from the main contract are derivatives under the provisions of this form.

APPENDIX 7-2 (Applicable for public disclosure of information on engaging in the derivatives trading being reported before 10th of every month)

In accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies”, the Company hereby announces the relevant information on the accumulated derivatives trading engaged by the Company, its overseas subsidiaries and domestic non-public subsidiaries as of the end of the month of the year as follows: (The announcements shall be made in separate forms with respect to the Company, its overseas subsidiaries and domestic non-public subsidiaries.)

1. Applicable for non-banking & bills financing industry (Unit: NT\$ thousand)

Transaction Information		Contract Type	Futures	Individual Options		Portfolio Options		Forward Contract	Swaps	Hybrid contract (including the mixed product as designated at fair value through profit and loss)	Others	
				Put	Call	Put	Call					
Holding for trading	Margin paid											
	Premium received (paid)											
	Open Contract	Total contract amount										
		Fair value										
		Recognized as the non-realized gains and losses in the current year										
	Offset Contract	Total contract amount										
		Recognized as the realized gains and losses in the current year										
	Not holding For trading	Does not match Hedging Accounting	Margin paid									
			Premium received (paid)									
			Open Contract	Total contract amount								
Fair value												
Recognized as the non-realized gains and losses in the current year												
Offset Contract		Total contract amount										
		Recognized as the realized gains and losses in the current year										
Match Hedging Accounting		Margin paid										
		Premium received (paid)										
		Open Contract	Total contract amount									
	Fair value											
	Recognized as the non-realized gains and losses in the current year											
Offset Contract	Total contract amount											
	Recognized as the realized gains and losses in the current year											

Note 1: This table shall indicate the announcement of the derivative trading information as of the end of last month, not only the trading situation of one

single month.

- Note 2: The announcement of the overseas subsidiaries and the domestic non-public subsidiaries shall be made by the public company on their behalf. If they are not engaged in derivatives trading, they shall perform the “No-filing Setting” operation on a monthly basis.
- Note 3: For a hybrid contract of which the commodity of its main contract is within the scope of IFRS9 and does not meet the contractual cash flow characteristic test, the overall information of the hybrid contract shall be stated in this form, and additional notes may be made to describe the nature of the contract, the trading conditions and other information in the remark column.
- Note 4: For a hybrid contract of which the commodity of its main contract is not within the scope of IFRS9, the transaction content shall be disassembled into its original form, except that the accounting treatment of the embedded derivative instrument is not required to be recognized separately from its main contract (non-derivatives), and the information of the derivative trading shall be stated in this form. In addition, for the overall hybrid contract “designated as a financial asset or financial liability measured at fair value through profit or loss” by the Company, a separate form shall be used for filing subject to the regulations and additional notes may be made to describe the nature of the contract, the trading conditions and other information in the remark column.

2. Applicable for the Banking & bills financing industry (for the trading on behalf of customer accounts, some certain parts may not be listed for statistics) Unit: US\$1,000

Contract Type			Interest Rate	Exchange Rate	Equity Securities	Commodity	Credit	Others
Notional Amount Outstanding	OTC Market	For the Purpose of Trading						
		Not for the Purpose of Trading						
	Exchange Market	For the Purpose of Trading						
		Not for the Purpose of Trading						
Fair Value	For the Purpose of Trading	Total Positive Amount						
		Total Negative Amount						
	Not for the Purpose of Trading	Item Hedged						
		Hedging Instrument						
Gains and Losses Amount Recognized in the Statements	For the Purpose of Trading							
	Not for the Purpose of Trading	Item Hedged						
		Hedging Instrument						
Remark: The Company may additionally disclose the portion in line with the hedge account which is classified into the purpose of hedging.								

APPENDIX 8 (Applicable for conducting a merger, demerger, acquisition or transfer of shares)

Announcement by the x x Co., Ltd.

Date:

The Company hereby announces the relevant information on conducting a merger (or demerger, acquisition or transfer of shares) in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” as follows:

1. Type of merger and acquisition: (ex. merger, demerger, acquisition or transfer of shares)
2. Date of occurrence:
3. Name of the Company participating in the merger and acquisition: (ex. the name of the Company that merges the other company, is divided into a newly established company, acquires or take assignment of the shares of the target company)
4. The counterparty of the transaction: (the transaction partner that mergers another company, takes over the divided and assigned company, acquires or take assignment of the shares of the target company)
5. The relationship between the counterparty and the Company: (The invested company reinvested by the Company holding xx% of its shares)

Reasons for selecting the related company or related party for acquisition or transfer of shares:

Whether it does not impact on the shareholders' equity:

6. Purpose of merger and acquisition:
7. Benefits expected after the merger and acquisition :
8. Impact of the net value per share and earnings per share after the merger and acquisition :
9. Conversion ratio and calculation basis:

Whether the certified public accountant, lawyer or securities underwriter has issued an opinion with reasonable assurance:

Name of certified public accountant firm, law firm or securities underwriter company:

Name of certified public accountant, lawyer: ; practicing certificate No. of certified public accountant or lawyer:

10. Schedule of completion:
11. Relevant matters regarding the rights and obligations of the surviving or newly established company that generally assumes the dissolved (or divided) company:
12. Basic information on the participating companies in the merger and acquisition:
13. Relevant matters regarding division:
 - (1) Assessed value of the business and assets prepared to be transferred to the surviving or the newly established company
 - (2) The total number, type and quantity of shares acquired by the divided company or its shareholders
 - (3) When the capital of the divided company is reduced, the relevant matters regarding the capital reduction

14. Future terms and conditions and restrictions of the transfer of shares acquired:

15. Other important agreements:

16. Whether or not objected by the director in this transaction:

17. Other statements:

Notes:

- I. Item 9: Where a public company merges its subsidiary held directly or indirectly 100% of the issued shares or total capital, or the merger between its subsidiaries held directly or indirectly 100% of the issued shares or total capital, it is not necessary to obtain a reasonable opinion from a CPA, attorney or securities underwriter on the share conversion ratio, the purchase price or the allotment on cash or other property to the shareholders.
2. Item 11: The relevant matters regarding the surviving or newly established company generally assuming the rights and obligations of the dissolved company shall include the principles for handling treasury shares and already-issued equity securities).
3. Item 12: The basic information of the participating companies in the merger and acquisition include the Company name and the main content of its business.

Elections

Election: Proposal No. 1

Content: Election of 9 directors (including 4 independent directors) to the 25th Board of Directors

Description:

1. In accordance with Article 21 and Article 29 of the Bank's Articles of Incorporation as well as the resolution passed at the 32nd meeting of the 24th Board of Directors on February 23, 2023, 9 directors (including 4 independent directors) on the 25th Board of Directors shall be elected, adopting the candidate nomination system from among the list of director candidates at the Shareholders' Meeting. The term of office is three years, from May 15, 2023 to May 14, 2026.
2. For the list of director candidates, please refer to page 128-129 in the Meeting Handbook.
3. This motion was passed at the 33rd meeting of the 24th Board of Directors on March 29, 2023.

Election results:

List of Candidates for Directors of 25th-term of Taichung Commercial Bank Co., Ltd.

Position	Name of Candidate	Name of Government and Juridical Person for	Education	Experience	Current Position	Shareholdings (Unit: share)
Director	Kuei-Fong Wang	None	MBA of NYU	VP, Corporate Financing Dept., BNP Paribas Hong Kong; Chairman, China Man-Made Fiber Corporation; Chairman, Pan Asia Chemical Corporation; Chairman, Taichung Bank Insurance Brokers Co., Ltd.; Vice Chairman, Taichung Commercial Bank Co., Ltd.	Chairman, Taichung Commercial Bank Co., Ltd.; Director, Chou Chin Industrial Co., Ltd.; Director, China Man-Made Fiber Corporation; Director, Pan Asia Chemical Corporation; Director, Pan Asia Investment Co., Ltd.; Supervisor, Hsu Tian Investment Co., Ltd.; Supervisor of Hsu Yi Investment Co., Ltd.; Supervisor, Yao Shang Investment Co., Ltd.; Supervisor of Chi Ta Investment Co., Ltd.	639,267
Director	Chien-An Shih	Hsu Tian Investment Co., Ltd.	MBA, Saginaw Valley State University, USA	President, Medium Business Bank of Taiwan; President, Chang Hwa Bank Co., Ltd.	Independent Director, Taichung Commercial Bank Co., Ltd.	159,127,610
Director	Te-Wei Chia	Hsu Tian Investment Co., Ltd.	Dept. of Statistics, National Cheng Kung University	Senior Executive Vice President, Taichung Commercial Bank Co., Ltd.	Director and President of Taichung Commercial Bank Co., Ltd.	159,127,610
Director	Shih-Yi Chiang	Hsu Tian Investment Co., Ltd.	MBA, University of Illinois at Urbana Champaign, USA	Executive Vice President, M&A Division, The Croesus Group (Private Equity Fund based in Singapore); Executive Vice President, Office of Representative, RAFFIA CAPITAL, INC. (Private Equity Fund based in Shinsei Bank, Limited, Japan)	Director, Taichung Commercial Bank Co., Ltd.; Chairman, Taichung Bank Securities Investment Trust Co., Ltd.; Chairman, Taichung Bank Venture Capital Co., Ltd.; Supervisor, Pan Asia Investment Co., Ltd.; Supervisor, Chou Chang Co., Ltd.; Supervisor, Greenworld Food Co., Ltd.; Supervisor, China Nan-Made Fiber Investment Co., Ltd.	159,127,610
Director	Ying-Hui Wu	Hsu Tian Investment Co., Ltd.	Master of Science, Boston University	Vice President, JPMorgan Chase Bank, N.A., Taipei Branch; Vice President, The Bank of New York Mellon, Taipei Branch.	none	159,127,610
Independent Director	Jin-Yi Lee	None	Business School, Harvard University; Department of Business of National Taiwan University	CEO of Cathay International Holdings Ltd.; Independent Director, Taichung Commercial Bank Co., Ltd.; CEO of Fubon Bank (Hong Kong) Limited; Managing Director, BNP Paribas; Managing Director, J.P.Morgan Chase Bank	Chairman, Convoy Global Holdings Limited	0
Independent Director	Li-Woon Lim	None	Bachelor of Arts (Economics), Stanford University;	BANK OF AMERICA Merrill Lynch—Board of Directors, Merrill Lynch (Asia Pacific) Limited;	Independent Managing Director, Taichung Commercial Bank Co., Ltd.	0

Position	Name of Candidate	Name of Government and Juridical Person for	Education	Experience	Current Position	Shareholdings (Unit: share)
			Master of Science (Electrical Engineering), Stanford University; Master of Business Administration, Stanford University	BANK OF AMERICA Merrill Lynch—Managing Director, Head of Credit Products, Asia; UBS AG—Managing Director		
Independent Director	Hsin-Chang Tsai	None	Department of Finance and Banking, National Taiwan University; EMBA, National Taiwan University	Chief Financial Officer, South Asia, HTC; Chief Financial Officer (Executive Vice President of Management Dept.) Reorganized Company, Chou Chin Industrial Co., Ltd.	Independent Director, Taichung Commercial Bank Co., Ltd.; Director and CFO, NTT Taiwan Solutions Limited; Director, NTT Taiwan Ltd.	0
Independent Director	Pi-Ta Chen	None	EMBA, National Central University; Dept. of Cooperative Economics, Tamkang University	Executive Vice President, Cosmos Bank Co., Ltd.	Independent Director, Taichung Commercial Bank Co., Ltd.	0

Questions and Motions

Appendix



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taichung Commercial Bank Co., Ltd.

Opinion

We have audited the accompanying financial statements of Taichung Commercial Bank Co., Ltd. (the "Bank"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following were the descriptions of the key audit matters in the audit of the financial statements of the Bank for the year ended December 31, 2022:

Expected Credit Losses of Notes Discounted and Loans, Net

As described in Notes 13 and 30 to the financial statements, notes discounted and loans amounted to NT\$512,879,230 thousand, which accounted for 64% of total assets at December 31, 2022 and the expected credit losses of the notes discounted and loans amounted to NT\$969,901 thousand, which accounted for 7% of total net revenue for the year ended December 31, 2022. Due to the large amount, such accounts have a significant effect on the financial statements of the Bank. In addition, the measurement of expected credit losses of notes discounted and loans involved various financial factors, such as probability of default and loss given default, which involved the management's critical estimations and judgments, and also required compliance with relevant laws and regulations. Therefore, the expected credit loss of notes discounted and loans were identified as a key audit matter.

The relevant accounting policies, estimates, assumptions and other information are referred to in Notes 4, 5, 13 and 30 to the financial statements.

The main audit procedures performed for the expected credit losses of notes discounted and loans were as follows:

- We obtained an understanding of the internal controls for the expected credit losses of notes discounted and loans of the Bank. We checked the Bank's compliance with relevant regulations issued by authorities on assessment of the expected credit losses.
- We obtained an understanding of and recalculated the key parameters (such as probability of default and loss given default) for the expected credit losses of notes discounted and loans assessed by the Bank to evaluate the reasonableness of expected credit losses.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Lin Liu and Pan-Fa Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

TAICHUNG COMMERCIAL BANK CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 24,384,724	3	\$ 17,627,033	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	40,921,600	5	38,193,986	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	28,000,718	4	32,663,892	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	44,588,693	6	47,922,451	6
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	104,757,966	13	109,181,808	14
SECURITIES PURCHASED UNDER RESALE AGREEMENT	11,643,340	2	11,258,439	2
RECEIVABLES, NET	3,244,829	-	3,176,429	1
NOTES DISCOUNTED AND LOANS, NET	512,879,230	64	478,441,414	63
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	6,043,163	1	6,064,223	1
OTHER FINANCIAL ASSETS, NET	271,035	-	437,502	-
PROPERTIES AND EQUIPMENT, NET	16,215,697	2	13,707,859	2
RIGHT-OF-USE ASSETS, NET	692,932	-	685,706	-
INTANGIBLE ASSETS, NET	175,196	-	161,518	-
DEFERRED TAX ASSETS	597,026	-	766,162	-
OTHER ASSETS	<u>2,188,999</u>	<u>-</u>	<u>2,049,377</u>	<u>-</u>
TOTAL	<u>\$ 796,605,148</u>	<u>100</u>	<u>\$ 762,337,799</u>	<u>100</u>
LIABILITIES AND EQUITY				
DUE TO THE CENTRAL BANK AND OTHER BANKS	\$ 8,703,740	1	\$ 3,953,700	1
FUNDS BORROWED FROM THE CENTRAL BANK AND OTHER BANKS	-	-	3,489,540	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1,630,985	-	492,678	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	-	-	1,205,559	-
PAYABLES	7,865,915	1	8,178,890	1
CURRENT TAX LIABILITIES	476,109	-	335,518	-
DEPOSITS AND REMITTANCES	685,334,994	86	661,383,489	87
BANK DEBENTURES	16,500,000	2	16,500,000	2
OTHER FINANCIAL LIABILITIES	3,989,488	1	584,493	-
PROVISIONS	1,237,517	-	1,355,169	-
LEASE LIABILITIES	725,609	-	713,902	-
DEFERRED TAX LIABILITIES	109,486	-	109,486	-
OTHER LIABILITIES	<u>801,679</u>	<u>-</u>	<u>575,390</u>	<u>-</u>
Total liabilities	<u>727,375,522</u>	<u>91</u>	<u>698,877,814</u>	<u>92</u>
EQUITY				
Ordinary shares	50,154,465	7	45,385,205	6
Capital surplus	1,528,256	-	1,054,006	-
Retained earnings				
Legal reserve	12,141,002	1	10,677,008	1
Special reserve	149,077	-	149,678	-
Unappropriated earnings	5,416,510	1	4,886,043	1
Other equity	<u>(159,684)</u>	<u>-</u>	<u>1,308,045</u>	<u>-</u>
Total equity	<u>69,229,626</u>	<u>9</u>	<u>63,459,985</u>	<u>8</u>
TOTAL	<u>\$ 796,605,148</u>	<u>100</u>	<u>\$ 762,337,799</u>	<u>100</u>

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INTEREST REVENUE	\$ 14,789,509	106	\$ 11,471,305	91	29
INTEREST EXPENSE	<u>(4,568,011)</u>	<u>(33)</u>	<u>(2,775,768)</u>	<u>(22)</u>	65
NET INTEREST	10,221,498	73	8,695,537	69	18
NET INCOME AND LOSS OTHER THAN INTEREST					
Service fee income, net	2,494,507	18	2,481,588	20	1
Gains (losses) on financial assets and liabilities at fair value through profit or loss	1,011,654	7	334,653	3	202
Realized gains on financial assets at fair value through other comprehensive income	234,842	2	142,458	1	65
Foreign exchange gains, net	(301,894)	(2)	144,226	1	(309)
Impairment losses on assets	(11,032)	-	(5,960)	-	85
Share of profit of subsidiaries and associates for using the equity method	321,144	2	779,557	6	(59)
Other non-interest gains, net	<u>36,547</u>	<u>-</u>	<u>30,470</u>	<u>-</u>	20
TOTAL NET REVENUE	<u>14,007,266</u>	<u>100</u>	<u>12,602,529</u>	<u>100</u>	11
PROVISION FOR BAD DEBTS EXPENSE, COMMITMENTS AND GUARANTEES	<u>(1,144,972)</u>	<u>(8)</u>	<u>(1,203,947)</u>	<u>(10)</u>	(5)

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefits expenses	\$ (3,976,434)	(28)	\$ (3,692,498)	(29)	8
Depreciation and amortization expenses	(373,792)	(3)	(437,950)	(4)	(15)
Other selling and administrative expenses	<u>(2,039,703)</u>	<u>(15)</u>	<u>(1,814,425)</u>	<u>(14)</u>	12
Total operating expenses	<u>(6,389,929)</u>	<u>(46)</u>	<u>(5,944,873)</u>	<u>(47)</u>	7
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS					
	6,472,365	46	5,453,709	43	19
INCOME TAX EXPENSE	<u>(1,128,160)</u>	<u>(8)</u>	<u>(657,435)</u>	<u>(5)</u>	72
NET PROFIT FOR THE YEAR	<u>5,344,205</u>	<u>38</u>	<u>4,796,274</u>	<u>38</u>	11
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	62,887	1	14,745	-	326
Unrealized (losses) gains on investments in equity instruments at fair value through other comprehensive income	(147,339)	(1)	206,546	2	(171)
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	29,365	-	78,096	1	(62)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(15,836)</u>	<u>-</u>	<u>(2,512)</u>	<u>-</u>	530
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>(70,923)</u>	<u>-</u>	<u>296,875</u>	<u>3</u>	(124)

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on the translation of financial statements of foreign operations	\$ 30,925	-	\$ 31,960	-	(3)
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	16,287	-	4,063	-	301
Unrealized losses on investments in debt instruments designated as at fair value through other comprehensive income	<u>(1,390,473)</u>	<u>(10)</u>	<u>(244,933)</u>	<u>(2)</u>	468
Items that may be reclassified subsequently to profit or (loss), net of income tax	<u>(1,343,261)</u>	<u>(10)</u>	<u>(208,910)</u>	<u>(2)</u>	543
Other comprehensive income for the year, net of income tax	<u>(1,414,184)</u>	<u>(10)</u>	<u>87,965</u>	<u>1</u>	(1,708)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,930,021</u>	<u>28</u>	<u>\$ 4,884,239</u>	<u>39</u>	(20)
EARNINGS PER SHARE					
Basic	<u>\$1.12</u>		<u>\$1.05</u>		
Diluted	<u>\$1.12</u>		<u>\$1.05</u>		

(Concluded)

TAICHUNG COMMERCIAL BANK CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2021	\$ 41,516,943	\$ 803,606	\$ 9,469,859	\$ 150,243	\$ 4,077,345	\$ (121,110)	\$ 1,424,867	\$ 57,321,753
Appropriation of 2020 earnings								
Legal reserve	-	-	1,207,149	-	(1,207,149)	-	-	-
Special reserve	-	-	-	(565)	565	-	-	-
Cash dividends	-	-	-	-	(996,407)	-	-	(996,407)
Share dividends	1,868,262	-	-	-	(1,868,262)	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	4,796,274	-	-	4,796,274
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	12,021	36,023	39,921	87,965
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	4,808,295	36,023	39,921	4,884,239
Issuance of ordinary shares for cash	2,000,000	230,000	-	-	-	-	-	2,230,000
Issuance of ordinary shares under employee share options	-	20,400	-	-	-	-	-	20,400
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	71,656	-	(71,656)	-
BALANCE AT DECEMBER 31, 2021	45,385,205	1,054,006	10,677,008	149,678	4,886,043	(85,087)	1,393,132	63,459,985
Appropriation of 2021 earnings								
Legal reserve	-	-	1,463,994	-	(1,463,994)	-	-	-
Special reserve	-	-	-	(601)	601	-	-	-
Cash dividends	-	-	-	-	(1,134,630)	-	-	(1,134,630)
Share dividends	2,269,260	-	-	-	(2,269,260)	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	5,344,205	-	-	5,344,205
Other comprehensive (loss) income for the year ended December 31, 2022, net of income tax	-	-	-	-	51,126	47,212	(1,512,522)	(1,414,184)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	5,395,331	47,212	(1,512,522)	3,930,021
Issuance of ordinary shares for cash	2,500,000	437,500	-	-	-	-	-	2,937,500
Issuance of ordinary shares under employee share options	-	36,750	-	-	-	-	-	36,750
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,419	-	(2,419)	-
BALANCE AT DECEMBER 31, 2022	\$ 50,154,465	\$ 1,528,256	\$ 12,141,002	\$ 149,077	\$ 5,416,510	\$ (37,875)	\$ (121,809)	\$ 69,229,626

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,472,365	\$ 5,453,709
Adjustments for:		
Depreciation expense	312,309	381,300
Amortization expense	61,483	56,650
Provision for bad debts expense, commitments and guarantees liabilities	1,144,972	1,203,947
Gains on financial assets and liabilities at fair value through profit or loss	(1,011,654)	(334,653)
Losses (gains) on disposal of properties and equipment	169	(10,517)
Interest expense	4,568,011	2,775,768
Interest revenue	(14,789,509)	(11,471,305)
Dividend income	(234,775)	(137,745)
Compensation costs of employee share options	36,750	20,400
Share of profit of subsidiaries and associates	(321,144)	(779,557)
Gains on disposal of investments in debt instruments at fair value through other comprehensive income	(67)	(4,713)
Impairment losses on financial assets	11,032	5,960
Unrealized (gains) losses on foreign currency exchange	(1,517,313)	433,009
Gain on lease suspension	(3,152)	(5,797)
Total adjustment	<u>(11,742,888)</u>	<u>(7,867,253)</u>
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(2,378,335)	(1,445,572)
Financial assets at fair value through profit or loss	8,531,460	(1,228,543)
Receivables	366,654	393,659
Notes discounted and loans	(35,487,893)	(24,027,273)
Other financial assets	150,956	(534,176)
Other assets	(46,415)	(7,692)
Due to the Central Bank and other banks	4,750,040	(3,083,638)
Financial liabilities at fair value through profit or loss	(1,718,325)	(1,205,292)
Securities sold under repurchase agreements	(1,205,559)	(1,094,518)
Payables	(625,434)	2,994,115
Deposits and remittances	23,951,505	23,109,651
Other financial liabilities	3,404,995	477,247
Provision for employee benefits	(70,975)	(114,423)
Other liabilities	<u>226,289</u>	<u>85,215</u>
Changes in operating assets and liabilities	<u>(151,037)</u>	<u>(5,681,240)</u>
Cash used in operations	(5,421,560)	(8,094,784)
Interest received	14,292,198	11,602,460
Dividend received	619,356	375,207
Interest paid	(4,250,552)	(2,814,699)
Income tax paid	<u>(834,269)</u>	<u>(501,166)</u>
Net cash generated from operating activities	<u>4,405,173</u>	<u>567,018</u>

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (2,738,723)	\$ (11,284,192)
Proceeds from disposal of financial assets at fair value through other comprehensive income	4,656,255	3,317,086
Purchase of financial assets at amortized cost	(783,723,829)	(907,585,588)
Proceeds from repayments sale of financial assets at amortized cost	789,824,504	910,515,784
Payments for properties and equipment	(2,692,192)	(1,602,516)
Proceeds from disposal of properties and equipment	-	15,050
Increase in refundable deposits	(389,107)	(16,502)
Payments for intangible assets	<u>(75,037)</u>	<u>(56,164)</u>
Net cash generated from (used in) investing activities	<u>4,861,871</u>	<u>(6,697,042)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing from Central Bank and other banks	-	1,322,260
Decrease in due to Central Bank and other banks	(3,489,540)	-
Proceeds from issuance of bank debentures	-	5,000,000
Repayment of the principal portion of lease liabilities	(119,428)	(185,017)
Cash dividends distributed	(1,134,630)	(996,407)
Proceeds from issuance of ordinary shares	<u>2,937,500</u>	<u>2,230,000</u>
Net cash (used in) generated from financing activities	<u>(1,806,098)</u>	<u>7,370,836</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>30,925</u>	<u>31,960</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,491,871	1,272,772
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>47,029,147</u>	<u>45,756,375</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 54,521,018</u>	<u>\$ 47,029,147</u> (Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
RECONCILIATIONS OF THE AMOUNTS IN THE STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE BALANCE SHEETS AT DECEMBER 31, 2022 AND 2021		
Cash and cash equivalents in the balance sheets	\$ 24,384,724	\$ 17,627,033
Due from the central bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	18,492,954	18,143,675
Securities purchased under resale agreements in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>11,643,340</u>	<u>11,258,439</u>
Cash and cash equivalents at the end of the year	<u>\$ 54,521,018</u>	<u>\$ 47,029,147</u>

(Concluded)



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taichung Commercial Bank Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taichung Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following were the descriptions of the key audit matters in the audit of the consolidated financial statements of the Group for the year ended December 31, 2022:

Expected Credit Losses of Notes Discounted and Loans, Net

As described in Notes 13 and 32 to the consolidated financial statements, notes discounted and loans amounted to NT\$514,112,826 thousand which accounted for 64% of total assets at December 31, 2022 and the expected credit losses of the notes discounted and loans amounted to NT\$969,901 thousand which accounted for 6% of total net revenue for the year ended December 31, 2022. Due to the large amount, such accounts have a significant effect on the consolidated financial statements of the Group. In addition, the measurement of expected credit losses of notes discounted and loans involved various financial factors, such as probability of default and loss given default, which involved the management's critical estimations and judgments, and also required compliance with relevant laws and regulations. Therefore, the expected credit loss of notes discounted and loans were identified as a key audit matter.

The relevant accounting policies, estimates, assumptions and other information are referred to in Notes 4, 5, 13 and 32 to the consolidated financial statements.

The main audit procedures performed for the expected credit losses of notes discounted and loans were as follows:

- We obtained an understanding of internal controls for the expected credit losses of notes discounted and loans of the Group. We checked the Group's compliance with relevant regulations issued by authorities on assessment of the expected credit losses.
- We obtained an understanding of and recalculated the key parameters (such as probability of default and loss given default) for the expected credit losses of notes discounted and loans assessed by the Group to evaluate the reasonableness of expected credit losses.

Other Matter

We have also audited the parent company only financial statements of the Bank as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Lin Liu and Pan-Fa Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES
**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	2022		2021	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 25,760,718	3	\$ 17,964,974	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	40,921,600	5	38,193,986	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	29,009,114	4	33,675,502	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	45,228,975	6	48,547,804	6
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	104,757,966	13	109,181,808	14
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	11,643,340	1	11,258,439	2
RECEIVABLES, NET	14,434,692	2	14,351,605	2
NOTES DISCOUNTED AND LOANS, NET	514,112,826	64	479,806,373	62
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	172,301	-	165,124	-
RESTRICTED ASSETS, NET	506,705	-	394,621	-
OTHER FINANCIAL ASSETS, NET	271,035	-	437,502	-
PROPERTIES AND EQUIPMENT, NET	16,256,083	2	13,755,424	2
RIGHT-OF-USE ASSETS, NET	809,276	-	817,320	-
INVESTMENT PROPERTIES, NET	592,167	-	-	-
INTANGIBLE ASSETS, NET	234,756	-	220,723	-
DEFERRED TAX ASSETS	692,053	-	859,352	-
OTHER ASSETS	<u>2,559,221</u>	<u>-</u>	<u>3,047,836</u>	<u>1</u>
TOTAL	<u>\$ 807,962,828</u>	<u>100</u>	<u>\$ 772,678,393</u>	<u>100</u>
LIABILITIES AND EQUITY				
DUE TO THE CENTRAL BANK AND OTHER BANKS	\$ 8,703,740	1	\$ 3,953,700	1
FUNDS BORROWED FROM THE CENTRAL BANK AND OTHER BANKS	8,898,102	1	10,459,156	2
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1,630,985	-	512,399	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	-	-	1,205,559	-
PAYABLES	9,427,839	1	11,092,958	2
CURRENT TAX LIABILITIES	554,448	-	406,178	-
DEPOSITS AND REMITTANCES	683,104,149	85	659,116,235	85
BANK DEBENTURES	16,500,000	2	16,500,000	2
OTHER FINANCIAL LIABILITIES	6,670,510	1	2,648,169	-
PROVISIONS	1,237,517	-	1,355,169	-
LEASE LIABILITIES	852,915	-	853,218	-
DEFERRED TAX LIABILITIES	109,486	-	109,486	-
OTHER LIABILITIES	<u>1,043,511</u>	<u>-</u>	<u>1,006,181</u>	<u>-</u>
Total liabilities	<u>738,733,202</u>	<u>91</u>	<u>709,218,408</u>	<u>92</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Ordinary shares	50,154,465	7	45,385,205	6
Capital surplus	1,528,256	-	1,054,006	-
Retained earnings				
Legal reserve	12,141,002	1	10,677,008	1
Special reserve	149,077	-	149,678	-
Unappropriated earnings	5,416,510	1	4,886,043	1
Other equity	<u>(159,684)</u>	<u>-</u>	<u>1,308,045</u>	<u>-</u>
Total equity attributable to owners of the Bank	<u>69,229,626</u>	<u>9</u>	<u>63,459,985</u>	<u>8</u>
Total equity	<u>69,229,626</u>	<u>9</u>	<u>63,459,985</u>	<u>8</u>
TOTAL	<u>\$ 807,962,828</u>	<u>100</u>	<u>\$ 772,678,393</u>	<u>100</u>

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INTEREST REVENUE	\$ 15,584,507	104	\$ 12,245,485	89	27
INTEREST EXPENSE	<u>(4,809,525)</u>	<u>(32)</u>	<u>(2,967,855)</u>	<u>(21)</u>	62
NET INTEREST	<u>10,774,982</u>	<u>72</u>	<u>9,277,630</u>	<u>68</u>	16
NET INCOME AND LOSS OTHER THAN INTEREST					
Service fee income, net	3,316,809	22	3,374,711	25	(2)
Gains on financial assets and liabilities at fair value through profit or loss	969,538	6	735,073	5	32
Realized gains on financial assets at fair value through other comprehensive income	239,967	2	157,660	1	52
Foreign exchange (losses) gains, net	(333,972)	(2)	153,176	1	(318)
Impairment losses on financial assets	(11,032)	-	(5,960)	-	85
Share of loss of associates accounted for using the equity method	(6,716)	-	(592)	-	1,034
Other non-interest gains, net	<u>67,588</u>	<u>-</u>	<u>30,176</u>	<u>-</u>	124
TOTAL NET REVENUE	<u>15,017,164</u>	<u>100</u>	<u>13,721,874</u>	<u>100</u>	9
PROVISION FOR BAD DEBTS EXPENSE, COMMITMENTS AND GUARANTEES	<u>(1,252,450)</u>	<u>(8)</u>	<u>(1,368,511)</u>	<u>(10)</u>	(8)

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
OPERATING EXPENSES					
Employee benefits expenses	\$ (4,504,161)	(30)	\$ (4,305,442)	(31)	5
Depreciation and amortization expenses	(438,032)	(3)	(498,065)	(4)	(12)
Other selling and administrative expenses	<u>(2,221,878)</u>	<u>(15)</u>	<u>(1,980,647)</u>	<u>(14)</u>	12
Total operating expenses	<u>(7,164,071)</u>	<u>(48)</u>	<u>(6,784,154)</u>	<u>(49)</u>	6
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	6,600,643	44	5,569,209	41	19
INCOME TAX EXPENSE	<u>(1,256,438)</u>	<u>(8)</u>	<u>(772,935)</u>	<u>(6)</u>	63
NET PROFIT FOR THE YEAR	<u>5,344,205</u>	<u>36</u>	<u>4,796,274</u>	<u>35</u>	11
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	62,887	-	14,745	-	326
Unrealized (losses) gains on investments in equity instruments at fair value through other comprehensive income	(131,867)	(1)	282,074	2	(147)
Share of the other comprehensive income of associates accounted for using the equity method	13,893	-	2,568	-	441
Income tax expense relating to items that will not be reclassified subsequently to profit or loss	<u>(15,836)</u>	<u>-</u>	<u>(2,512)</u>	<u>-</u>	530
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>(70,923)</u>	<u>(1)</u>	<u>296,875</u>	<u>2</u>	(124)

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on the translation of financial statements of foreign operations	\$ 47,212	-	\$ 36,023	1	31
Unrealized loss on investments in debt instruments designated as at fair value through other comprehensive income	<u>(1,390,473)</u>	<u>(9)</u>	<u>(244,933)</u>	<u>(2)</u>	468
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>(1,343,261)</u>	<u>(9)</u>	<u>(208,910)</u>	<u>(1)</u>	543
Other comprehensive (loss) income for the year, net of income tax	<u>(1,414,184)</u>	<u>(10)</u>	<u>87,965</u>	<u>1</u>	(1,708)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,930,021</u>	<u>26</u>	<u>\$ 4,884,239</u>	<u>36</u>	(20)
EARNINGS PER SHARE					
Basic	<u>\$ 1.12</u>		<u>\$ 1.05</u>		
Diluted	<u>\$ 1.12</u>		<u>\$ 1.05</u>		

(Concluded)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Bank					Other Equity		Total Equity
	Share Capital		Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2021	\$ 41,516,943	\$ 803,606	\$ 9,469,859	\$ 150,243	\$ 4,077,345	\$ (121,110)	\$ 1,424,867	\$ 57,321,753
Appropriation of 2020 earnings								
Legal reserve	-	-	1,207,149	-	(1,207,149)	-	-	-
Special reserve	-	-	-	(565)	565	-	-	-
Cash dividends	-	-	-	-	(996,407)	-	-	(996,407)
Share dividends	1,868,262	-	-	-	(1,868,262)	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	4,796,274	-	-	4,796,274
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	12,021	36,023	39,921	87,965
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	4,808,295	36,023	39,921	4,884,239
Issuance of ordinary shares for cash	2,000,000	230,000	-	-	-	-	-	2,230,000
Issuance of ordinary shares under employee share options	-	20,400	-	-	-	-	-	20,400
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	71,656	-	(71,656)	-
BALANCE AT DECEMBER 31, 2021	45,385,205	1,054,006	10,677,008	149,678	4,886,043	(85,087)	1,393,132	63,459,985
Appropriation of 2021 earnings								
Legal reserve	-	-	1,463,994	-	(1,463,994)	-	-	-
Special reserve	-	-	-	(601)	601	-	-	-
Cash dividends	-	-	-	-	(1,134,630)	-	-	(1,134,630)
Share dividends	2,269,260	-	-	-	(2,269,260)	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	5,344,205	-	-	5,344,205
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	51,126	47,212	(1,512,522)	(1,414,184)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	5,395,331	47,212	(1,512,522)	3,930,021
Issuance of ordinary shares for cash	2,500,000	437,500	-	-	-	-	-	2,937,500
Issuance of ordinary shares under employee share options	-	36,750	-	-	-	-	-	36,750
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,419	-	(2,419)	-
BALANCE AT DECEMBER 31, 2022	\$ 50,154,465	\$ 1,528,256	\$ 12,141,002	\$ 149,077	\$ 5,416,510	\$ (37,875)	\$ (121,809)	\$ 69,229,626

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,600,643	\$ 5,569,209
Adjustments for:		
Depreciation expense	367,543	433,704
Amortization expense	70,489	64,361
Provision for bad debts expense, commitments and guarantees liabilities	1,252,450	1,368,511
Gains on financial assets and liabilities at fair value through profit or loss	(969,538)	(735,073)
Losses (gains) on disposal of properties and equipment	405	(11,163)
Interest expense	4,809,525	2,967,855
Interest revenue	(15,584,507)	(12,245,485)
Dividend income	(239,900)	(152,947)
Compensation cost of employee share options	36,750	20,400
Share of loss of associates	6,716	592
Gains on disposal of investments in debt instruments at fair value through other comprehensive income	(67)	(4,713)
Impairment losses on financial assets	11,032	5,960
Unrealized (gains) losses on foreign currency exchange	(1,516,680)	433,605
Gain on lease suspension	(3,152)	(5,797)
Total adjustment	<u>(11,758,934)</u>	<u>(7,860,190)</u>
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(2,378,335)	(1,445,572)
Financial assets at fair value through profit or loss	7,856,511	(1,224,701)
Receivables	244,707	(1,002,399)
Notes discounted and loans	(35,356,530)	(24,293,453)
Other financial assets	150,956	(534,192)
Other assets	476,565	(583,537)
Due to the Central Bank and other banks	4,750,040	(3,083,638)
Financial liabilities at fair value through profit or loss	(1,101,999)	(1,121,323)
Securities sold under repurchase agreements	(1,205,559)	(1,094,518)
Payables	(1,993,975)	3,787,213
Deposits and remittances	23,987,915	22,526,767
Other financial liabilities	3,404,995	477,247
Provision for employee benefits	(70,975)	(114,423)
Other liabilities	59,056	(43,979)
Changes in operating assets and liabilities	<u>(1,176,628)</u>	<u>(7,750,508)</u>
Cash used in operations	(6,334,919)	(10,041,489)
Interest received	15,082,916	12,370,389
Dividends received	239,900	152,947
Interest paid	(4,475,670)	(3,006,494)
Income tax paid	<u>(956,705)</u>	<u>(593,885)</u>
Net cash generated from (used in) operating activities	<u>3,555,522</u>	<u>(1,118,532)</u>

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (2,738,723)	\$ (11,365,309)
Proceeds from disposal of financial assets at fair value through other comprehensive income	4,656,798	3,769,302
Purchase of financial assets at amortized cost	(783,723,829)	(907,585,588)
Proceeds from sale of financial assets at amortized cost	789,824,504	910,515,784
Payments for properties and equipment	(2,709,005)	(1,619,357)
Proceeds from disposal of properties and equipment	3	16,308
(Increase) decrease in refundable deposits	(395,934)	19,890
Payments for intangible assets	(82,979)	(68,436)
Payments for investment properties	<u>(594,065)</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>4,236,770</u>	<u>(6,317,406)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in due to the (borrowings from) Central Bank and other banks	(1,561,054)	1,948,504
Proceeds from commercial papers issued	617,346	475,109
Proceeds from issuance of bank debentures	-	5,000,000
(Refund of) proceeds from guarantee deposits received	(21,726)	74,849
Repayments of principal portion of lease liabilities	(147,016)	(214,271)
Cash dividends distributed	(1,134,630)	(996,407)
Proceeds from issuance of ordinary shares	<u>2,937,500</u>	<u>2,230,000</u>
Net cash generated from financing activities	<u>690,420</u>	<u>8,517,784</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>47,212</u>	<u>36,023</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,529,924	1,117,869
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>47,367,088</u>	<u>46,249,219</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 55,897,012</u>	<u>\$ 47,367,088</u>

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	<u>December 31</u>	
	2022	2021
RECONCILIATIONS OF THE AMOUNTS IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2022 AND 2021		
Cash and cash equivalents in the consolidated balance sheets	\$ 25,760,718	\$ 17,964,974
Due from the central bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	18,492,954	18,143,675
Securities purchased under resale agreements in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>11,643,340</u>	<u>11,258,439</u>
Cash and cash equivalents at the end of the year	<u>\$ 55,897,012</u>	<u>\$ 47,367,088</u>

(Concluded)

Articles of Incorporation Of Taichung Commercial Bank Co., Limited

Chapter One General Provisions

- Article 1. This Bank is incorporated in accordance with the provisions regarding company limited by shares in the Banking Act and the Company Act, and is named Taichung Commercial Bank Co., Limited, or “Taichung Bank” (hereinafter as the “Bank”).
- Article 2. The Bank aims to provide comprehensive financial services and promote industrial and economical development in accordance with the national financial policies.
- Article 3. The Bank has established its head office in Taichung City, and may set up domestic and/or overseas branch offices at appropriate locations to meet business needs. The establishment, revocation, or change of such offices shall be determined by a resolution of the board of directors and shall be submitted to the competent authority for approval and to the Ministry of Economic Affairs for registration.
- Article 4. Public notices of the Bank shall be made on the local daily newspaper circulated in the location of the head office of the Bank or in accordance with the methods designated by the competent authority.

Chapter 2 Shares

- Article 5. The total capital of the Bank is set at NT\$77.7 billion divided into 7.77 billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the unissued shares in installments.
Preferred shares may be issued within the total amount of the shares provided in the preceding paragraph.
- Article 5-1. The rights and obligations of the Bank's preferred shares and other important issuance conditions are set forth as follows:
1. If there is surplus by the annual closing account of the Bank, the Bank shall pay all taxes in accordance with the law and offset the losses of the previous years. If there is still surplus after the above is deducted, such shall be

appropriated to set aside the legal reserve and set aside or reverse the special reserve in accordance with the Articles of Incorporation and the remaining balance may be used to the annual distributable dividend that is distributed to the preferred shares in priority.

2. The maximum distributable dividend rate for preferred shares is 8% per annum.
3. Dividend for preferred shares is calculated based on the issue price per share and may be paid in cash once a year. After the financial report of the Bank is acknowledged in the annual shareholders' general meeting, the board of directors shall set the record day to pay the distributable dividend for the previous year. The distribution of dividend in the issuance year and redemption year shall be calculated based on the actual number of days of issuance in the current year.
4. The Bank has discretion over the distribution of dividends for preferred shares. In the event that there is no surplus by the Bank's annual closing accounts and no dividend for ordinary shares has been paid, or the payment of preferred dividends will result in a capital adequacy ratio below the minimum requirement set by law or the competent authority, the Bank may resolve not to pay dividends for preferred shares, and preferred share shareholders shall not object. If it is the non-cumulative preferred shares being issued, the unpaid or under-paid dividends will not accumulate as deferred payment in future years having surplus.
5. In addition to receiving the dividends referred to in subparagraph 3 of this paragraph, if it is the non-participating preferred shares being issued, the holders of such shares shall not participate in the payment for ordinary shares out of the surplus reserve and capital reserve.
6. Holders of preferred shares take precedence over holders of ordinary shares with respect to distribution of residual assets of the Bank, with the same order of priority for the distribution of various preferred shares issued by

the Bank, but to the extent not exceeding the amount issued. In the event of a receivership, closure, or liquidation ordered by the competent authority, holders of preferred shares and ordinary shares shall rank pari passu with each other.

7. Holders of preferred shares shall have no voting right in the shareholders' meeting but may be elected as directors, and shall have voting right at shareholders' meetings of preferred share holders and shareholders' meetings concerning the rights and obligations of preferred share holders,
8. The convertible preferred shares issued by the Bank shall not be converted within one year from the date of issuance. The board of directors is authorized to set out the conversion period as part of the conditions of actual issuance. Shareholders of convertible preferred shares may apply for a partial or total conversion of the preferred shares held on the basis of one preferred share to one ordinary share (conversion ratio of 1: 1). After the convertible preferred shares are converted into ordinary shares, the rights and obligations thereof are the same as ordinary shares. The annual payment of dividend for the year of the conversion is calculated based on the ratio of actual number of issue days in the year to the number of days in the year. Preferred shares which have been converted to ordinary shares before the dividend record day shall not participate in the payment of preferred share dividend of the year and future years, but may participate in the payment for ordinary shares by surplus reserve and capital reserve.
9. For preferred shares issued by the Bank without a maturity date, the shareholders of such shares do not have the right to require the bank to redeem such shares. The Bank may, on the day following the fifth anniversary of the issuance and in accordance with the law and the approval of the competent authority, redeem all or part of the preferred shares issued at the actual issue price. For the preferred shares which have not been redeemed, the

rights and obligation under the preceding subparagraphs of issuance conditions as set forth above shall continue. If the Bank has resolved to issue dividend for such year, the dividend up to the redemption day shall be calculated based on the number of actual days of issuance in the year.

10. For preferred share issued by the Bank with a maturity date, the period of issuance shall not be less than five years. Prior to the maturity date, holders of preferred shares have no right to require the Bank to redeem their preferred shares held. The Bank may, after the maturity date or on the day following the fifth anniversary of issuance, and in accordance with the law and the approval of the competent authority, redeem such shares at issue price, or according to relevant issuance conditions, by cash, by new shares (with a new to old share ratio of 1:1) or by other means permitted by the law and pursuant to related issuance conditions. If by maturity date, the Bank cannot redeem all or part of the preferred shares due to objective circumstances or force majeure, the rights of such unredeemed preferred shares shall survive to the extent provided in the subparagraphs of issuance conditions under issuance rules until the Bank redeems such shares.

The name, issue date, and specific terms of the preferred shares shall be determined by the board of directors at actual issuance depending on the condition of the capital market at the time and investors' willingness, and pursuant to the Bank's Articles of Incorporation and related laws and regulations.

Article 6. Pursuant to the provisions of the Company Act, the Bank may elect to issue new shares by book-entry.

Article 7. (deleted)

Article 8. The Bank's administration of shareholder services shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority and other relevant laws and regulations.

Article 9. All transfers of the shares and change of title of shares of the

Bank will be duly suspended with sixty days prior to the meeting date of the general shareholders meeting, thirty days prior to the meeting date of the special shareholders meeting, or five days prior to the record date of distribution of dividend, bonus or other benefits.

Article 10. After each director of the Bank are elected, the number and amount of the shares of the Bank being held by such at the time being elected shall be declared to the competent authority. In the event that a director, during the term of office as a director, transfers more than one half of the Bank's shares held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director.

If the number of the Bank's shares held by a director is increased or reduced during his/her term of office as a director, he/she shall declare such change to the competent authority and shall place a public notice of such a fact.

If any director, after having been elected and before his/her inauguration of the office of director, has transferred more than one half of the total number of shares of the Bank he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of shares he/she held within the share transfer prohibition period fixed prior to the convention of a shareholders' meeting, then his/her election as a director shall become invalid.

Chapter Three Business Operations

Article 11. The business activity the Banks engages is H101021

Commercial Banking

The abovementioned business activities are limited to those approved by the competent authority.

Article 12. The Bank may operate other businesses approved by the competent authority.

Chapter Four Shareholders' Meeting

Article 13. There are two types of shareholders' meetings: general meetings and special meetings. A general shareholders' meeting shall be convened by the board of directors once a year within six (6) months after the end of each fiscal year. A special shareholders' meeting shall be convened whenever deemed necessary by the board of directors or the audit

committee. Any shareholder who has continuously held three percent (3%) or more of the total number of issued shares of the Bank for a period of at least one continual year may request for a special shareholders' meeting to be convened by the board of directors by submitting the meeting proposals and reasons in writing.

Special shareholders' meeting may be held in accordance with relevant laws and regulations when necessary.

Article 14. A notice to convene a general meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date;

A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. Such notice shall indicate the meeting date, meeting place and the reason for convening the meeting.

Article 15. A shareholder who is unable to attend the shareholders meeting may appoint a proxy to attend the meeting on his/her behalf by executing the proxy form prepared by the Bank with his/her signature or seal imprinted and indicating therein the scope of power authorized to the proxy. A shareholder may only execute one proxy form and appoint one proxy only, and shall serve such written proxy form to the Bank no later than 5 days prior to the date of the shareholders' meeting. In case two or more written proxy forms are received from one shareholder, the first one received by the Bank shall prevail; unless the later proxy explicitly stating to revoke the previous written proxy. Matters not mentioned herein shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 16. The matters set forth below shall be decided by the resolution adopted by the shareholders meeting:

1. Formulate and amend the Articles of Incorporation of the Bank.
2. Increase or decrease of capital.
3. Election and dismissal of directors.
4. Ratification of the books and statements issued by the Board of Directors and the inspection reports issued by the audit committee. The shareholders meeting may elect an inspector

to report for the certain books, statements and reports.

5. Allocating earnings, dividend and bonus.

6. Other important matters for which a resolution is necessary.

Article 17. Resolutions at a shareholders' meeting, except where otherwise provided for in the Company Act, shall be adopted by a majority vote of the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

Article 18. When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a shareholders' meeting within one month.

In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article.

Article 19. Except where otherwise provided for in the law, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 20. The minutes of shareholders' meeting shall record the date, time, and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting, and shall be signed or sealed by the chairman. The minutes shall be kept persistently throughout the life of the company. The attendance list bearing the signatures of shareholders present at the meeting and the proxy forms shall be kept by the company for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Chapter Five Directors and Board of Directors

Article 21. The Bank shall have seven to fifteen directors consisting of the board of directors, whom shall be elected by the shareholders' meeting from among the persons with the capacity in accordance with the provisions of Article 198 of the Company Act. The directors shall serve for a term of three years and may be re-elected. The total number of shares held by all the directors in the registered share certificate shall comply with the requirements of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

The candidate nomination system shall be adopted in relation to the election of directors (including independent directors) for the shareholders' meeting to elect from the director nominees listed in the roster of director candidates.

Among the directors in the preceding Article, no less than three and no less than one-fifth of the total number of directors shall be independent directors. The election for independent and non-independent directors shall be held at the same time, and, respectively, the party winning the votes representing more voting rights shall be the elects. Matters concerning the professional qualifications, shareholdings and restrictions on concurrent positions held, assessment of independence, method of nomination, proxy and other matters for compliance with respect to independent directors shall be handled in accordance with the provisions in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Article 22. The three to five directors may be elected as managing directors from among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors in accordance with the straight voting system. Pursuant to the provisions in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," the managing directors shall include not less than one independent director member, and not less than one-fifth of the managing director seats shall be held by independent directors. If necessary, a vice-chairman and a standing managing director may be appointed by a resolution of

the board of directors.

The chairman, vice-chairman, and standing managing director shall be elected from among the managing directors in accordance with the manner set forth in the preceding paragraph.

In the case the managing directors were not elected, a chairman shall be elected among the directors by a majority vote at the meeting of the Board of Directors attended by two-third of the directors. If necessary, a vice-chairman may be elected among the directors.

The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the Bank. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice-chairman shall act on his/her behalf. In case the vice-chairman was not elected or the vice-chairman is also on leave or absent or unable to exercise his/her power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors to act on his/her behalf. In the case where there is no managing director, the chairman of the board of directors shall designate a director to act on his/her behalf. In the absence of such a designation, the managing directors or directors shall elect from among themselves an acting chairman of the board of directors. Where the Bank itself or the responsible person has been disparaged by rumors or had their credit damaged by fraud, the chairman of the Bank shall promptly file a complaint to the prosecutors.

During the recess of the board of directors, the managing directors shall conduct the routine banking business by the resolution of a majority vote of the meeting of the board with a quorum of half or more of managing directors, which may be convened by the chairman of the board from time to time.

Article 23. The powers and duties of the Board of Directors are as follows:

1. Approve articles and rules.
2. Approve material businesses and the plan thereof and

decision on the business plans.

3. Approve material contracts.
4. Approve proposed budget and closing of accounts.
5. Propose earnings allocation plan.
6. Propose capital increase or reduction.
7. Approve the establishment, closure, and change of branch offices of the Bank.
8. Approve the purchase, sale, and investment of real estate.
9. Manage and execute matters for audit.
10. Approve the appointment and dismissal of management personnel.
11. Other matters authorized by the laws and regulations and the shareholders' meeting.

Article 24. The board of directors meeting shall be convened at least once every three months. In the case of emergency or by the request of a majority of the directors, an interim meeting may be convened. Except as otherwise provided by the Company Act, the meeting of the Board of Directors shall be convened by the Chairman.

In order to strengthen managerial functions, the board of directors may set up various functional committees whose duties and powers are determined by the board of directors.

Article 25. Each director shall attend the meeting of the board of directors in person. In case a director cannot attend the meeting for any cause, he/she may designate another director to act on his behalf and in each time, issue a written proxy listing the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only.

Article 26. Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. Minutes of the meeting shall be affixed with the signature or seal of the chairman of the meeting.

Article 27. When the number of vacancies in the board of directors of a company equals to one third of the total number of directors,

the board of directors shall call a meeting of shareholders to elect succeeding directors to fill the vacancies in accordance with the law. The term of the succeeding director is limited by the term of the vacancy being filled.

Article 27-1. The remuneration to the chairman, vice-chairman, standing managing director, managing directors, independent directors and directors shall be determined by the board of directors authorized to do so in reference to the common industry standards in practice.

Independent directors do not participate in the distribution of the earnings of the Bank.

The Bank shall purchase insurance for directors with respect to their liability during their performance of their operational duties.

Article 28. The Bank's president, vice presidents, and the other related personnel may be invited to attend as consults the meetings of the board of directors and the meetings of the board of managing directors.

Chapter Six Audit Committee

Article 29. The audit committee of the Bank shall be composed of the entire number of independent directors, with a term the same as that of an independent director. It shall not be fewer than three persons in number, and at least one of whom shall have accounting or financial expertise.

The powers, rules of procedure for meetings, and other compliant matters of the audit committee shall be handled in accordance with the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies" and the "Bank's Rules on the Organization of Audit Committee."

Article 29-1. (deleted)

Article 30. (deleted)

Article 31. (deleted)

Chapter Seven Managerial Officers

Article 32. The Bank shall have a general manager to take general charge of the business operation of the Bank in accordance with the resolutions adopted by the meeting of the board of directors, and shall have a number of associate general manager and assistant manager to assist the general manager. The

appointment and dismissal thereof shall be approved by the majority of the directors. A number of other managerial officers of different levels shall be nominated by the general manager and the appointment and dismissal of which shall be approved by the majority of the directors.

The Bank shall have one general auditor of the same level of the associate general manager, and the general auditor shall be approved by a majority of the audit committee and two thirds of the board of directors, and any appointment, dismissal, or transfer thereof shall be reported to the competent authority for a prior approval.

If that provided in the preceding paragraph is not approved by a majority of the audit committee, the resolution of the audit committee shall be expressly recorded in the minutes of the board of directors.

Chapter Eight Accounting

Article 33. The Bank adopts the end of the month as the monthly closing date, and December 31 as the year-end closing date.

Article 34. After the annual closing of account, the Bank shall prepare the following statements and reports for review by the board of directors and audit committee and for ratification by the shareholders' meeting and submit the same within 15 days to the competent authority and the Central Bank for recordation:

1. Business report.
2. Financial statements.
3. Proposals on distribution of surplus or on the offset of loss.

Article 35. If there is profit in the fiscal year, the Bank shall allocate 0.5% to 3% as employee remuneration by cash or stock by the resolution adopted by the board of directors, and the Bank may allocate no more than 2.5% of the aforesaid profit as remuneration for directors as a resolution adopted by the board of directors. Proposals for employee and director remuneration shall be submitted to the shareholders' meeting for ratification. However, if the Bank has accumulated loss from preceding years, the Bank shall reserve the balance to make up the losses for the preceding years first, and allocate the remuneration for employees and directors at the aforesaid percentage.

Article 36. Upon the closing of account, the surplus, if any, shall be

used to pay taxes and make up the losses for the preceding years first, and then set aside 30% of such profit as a legal reserve. However, if the legal reserve has reached the amount of paid-in capital of the Bank, the Bank may choose not to set aside any more legal reserve, and may use such profits as special reserve or may reverse special reserve, and may distribute dividends for preferred shares in accordance with the law. With respect to the remaining balance after such distribution, the board of directors may combine such balance with the accumulated undistributed profit and the reversal amount of special surplus reserves in accordance with the laws and regulations. If there is still surplus, the Board of Directors shall formulate a proposal for surplus distribution and submit it to the Shareholders Meeting for recognition.

When the dividends and bonuses in the preceding paragraph are paid in cash, the Board of Directors shall be authorized to resolve with the attendance of two thirds or more of the directors and the consent of more than half of the directors in attendance, which shall be reported to the Shareholders Meeting.

After setting aside the necessary capital, the board of directors shall, in accordance with the change of business environment and operational and investment needs, propose the surplus distribution proposal and a certain ratio between cash and stock dividends thereof, of which the cash dividend shall be no less than 10% of total dividend and submit it for adoption by the shareholders' meeting.

Where the capital adequacy ratio is below the minimum requirement set by law, the distribution of surplus shall be handled in accordance with the Banking Act and the regulations of the competent authority.

Chapter Nine Supplementary Provisions

Article 37. Organizational Rules of the Bank shall be provided for in another document.

Article 38. Any other matters which have not been provided for herein shall be handled in accordance with the Company Act, Banking Act, and other relevant laws and regulations.

Article 39. This Articles of Incorporation and the amendments thereof

are effective upon the approval of the shareholders' meeting.
This Articles of Incorporation was drafted on October 22, 1977
and effective on January 1, 1978.

- 1st amendment was made on March 4, 1979.
- 2nd amendment was made on March 9, 1980.
- 3rd amendment was made on March 1, 1981.
- 4th amendment was made on March 7, 1982.
- 5th amendment was made on March 5, 1983.
- 6th amendment was made on March 7, 1985.
- 7th amendment was made on March 22, 1986.
- 8th amendment was made on March 19, 1987.
- 9th amendment was made on March 23, 1988.
- 10th amendment was made on March 23, 1989.
- 11th amendment was made on October 5, 1989.
- 12th amendment was made on March 23, 1990.
- 13th amendment was made on June 28, 1991.
- 14th amendment was made on October 13, 1992.
- 15th amendment was made on June 5, 1993.
- 16th amendment was made on April 23, 1994.
- 17th amendment was made on June 10, 1995.
- 18th amendment was made on October 18, 1995.
- 19th amendment was made on March 28, 1996.
- 20th amendment was made on May 8, 1997.
- 21st amendment was made on June 20, 1998.
- 22nd amendment was made on October 12, 1998.
- 23rd amendment was made on May 18, 1999.
- 24th amendment was made on June 15, 2000.
- 25th amendment was made on May 17, 2002.
- 26th amendment was made on June 25, 2003.
- 27th amendment was made on June 9, 2006.
- 28th amendment was made on December 7, 2006.
- 29th amendment was made on June 15, 2007.
- 30th amendment was made on June 13, 2008.
- 31st amendment was made on June 19, 2009.
- 32nd amendment was made on June 15, 2010.
- 33rd amendment was made on June 22, 2011.
- 34th amendment was made on June 13, 2013.

35th amendment was made on June 19, 2014.
36th amendment was made on June 2, 2015.
37th amendment was made on June 21, 2016.
38th amendment was made on June 7, 2017.
39th amendment was made on June 5, 2018.
40th amendment was made on June 28, 2019.
41st amendment was made on June 30, 2020.
42nd amendment was made on July 1, 2021.
43rd amendment was made on May 17, 2022.

Rules of Procedure for Shareholder Meetings

- Article 1 The rules for compliance are stipulated in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for establishing the Company’s excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.
- Article 2 The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).
- Article 3 The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.

The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the information reporting website designated by the Financial Supervisory Commission (hereinafter referred to as the FSC) 30 days prior to the annual meeting of shareholders or fifteen days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the information reporting website designated by the FSC 30 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s and distributed to shareholders at the meeting place.

The reasons for convening the meeting should be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting, and the essential contents shall be explained. None of the above matters may be raised by a question and motion.

Where the agenda for calling the Shareholders’ Meeting has stated clearly the general re-election of directors, and the date of appointment, which date shall not be altered by means of questions and motions or otherwise at the same meeting after the re-election at the Shareholders’ Meeting is completed.

Shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation for discussion at a regular shareholders meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, where the motion proposed by the shareholder is for the purpose of urging the Company to promote public interest or the

recommendation of fulfilling its social responsibilities, the Board of Directors may still include such a motion into the agenda. Unless any of the circumstances under Article 172-1, paragraph 4 of the Company Act is satisfied, the board of directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a regular meeting of shareholders.

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 acceptance of proposal in writing or by way of electronic transmission, 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.

Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the Annual Meeting of Shareholders in person or by proxy and must participate in the proposal discussion.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 4 Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed.

It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

Article 5 The place of meeting of shareholders should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.

Article 6 The Company should have the attendance registry ready for the signature of the attending shareholders or the shareholder's representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature.

The Company should have the annual meeting handbook, annual reports, attendance pass, speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots should be distributed for the election of directors, if applicable.

Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has

attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

Article 7 If the meeting of shareholders is convened by the Board, the chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his powers for certain reasons, the vice chairman is to chair the meeting. If a vice chairman is not appointed or the vice chairman is also on leave or is unable to perform his duties for certain reasons, the chairman is to appoint one of the managing directors to chair the meeting. If a managing director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the chairman, one of the managing directors or directors should be elected among the board members to chair the meeting.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 8 The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 9 Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

The chairperson shall call the meeting to order at the meeting time. At the same time, the chairperson will announce the relevant information such as the number of non-voting rights and the number of shares presented.

If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the chairperson may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 10 If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board; and the relevant motions (including questions and motions and amendments to the original motions) shall all be voted by means of case-by-case. Also, the meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

The chairperson may not have the meeting adjourned at his discretion before the proposals (including questions and motions) resolved in the two agendas referred to above. If the chairman has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the chairman with the majority votes of the attending shareholders to continuously chair the meeting.

A chairperson who believes that the proposal under discussion is ready for voting may at his discretion stop the discussion and call for a vote.

Article 11 Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the chairperson is to determine the order of speakers.

Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the chairperson. However, the chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.

The chairperson may reply to the speaking shareholders personally or by the designated personnel.

Article 12 Resolutions of the meeting of shareholders should be based on their shareholdings.

For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

The shares without votes referred to above are not included in the calculation of the attending shareholders' votes.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

Article 13 Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholders' Meeting, it shall adopt electronic means for the exercise of the voting rights, which may also be exercised in writing; when the vote is cast in writing or by electronic means, the election method should be stated in the notice of meeting of shareholders. Shareholders who have their votes cast in

writing or by electronic means are deemed as attending the meeting in person. However, with respect to questions and motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver.

For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting.

When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairperson is to appoint the scrutineers and counting officers who must be shareholders.

Ballot counting should be held at the meeting place with the ballot counting result announced immediately and records kept.

Article 14 The election of directors held at the meeting of shareholders should be arranged in accordance with the Company's election specifications and with the election results announced immediately at the meeting place, including the list of the directors-elect and the number of voting rights won, as well as the list of unselected directors and the number of voting rights obtained.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 15 The resolutions reached in the meeting of shareholders should be documented in the minutes of meeting and signed or sealed by the chairman; also, it should be uploaded to the MOPS within 20 days after the meeting adjournment.

The minutes of meeting should be prepared in accordance with the year, month, date, place, name of the chairperson, the resolution method, and a summary of the deliberations and the results of the voting (including the statistical weight) to be stated therein. Where the election of directors is proceeded, the ballot weight received by each candidate shall be disclosed, which shall be permanently reserved throughout the duration of the Company.

Article 16 The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy prepared in the specific format during the meeting of the shareholders commencement date and disclosed in the meeting.

For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.

Article 17 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

The chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with “Marshal” affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the chairperson may stop shareholders who do not use the speaking device provided by the Company from speaking.

The chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

Article 18 The chairperson may announce the meeting in recess. The chairperson may rule to have the meeting suspended temporarily under unruly circumstance and have the meeting resume depending on the situation.

If the meeting place cannot be used continuously before the proposals (including questions and motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.

The meeting of shareholders may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.

Article 19 The Rules of Procedure for Shareholder Meetings is implemented after the resolution reached in the meeting of shareholders, so is the amendment and revocation.

Resolved in the Annual Meeting of Shareholders on June 20, 1998.

Resolved in the Annual Meeting of Shareholders on June 13, 2013.

Resolved in the Annual Meeting of Shareholders on June 28, 2019.

Resolved in the Annual Meeting of Shareholders on June 30, 2020.

Resolved in the Annual Meeting of Shareholders on July 1, 2021.

Resolved in the Annual Meeting of Shareholders on May 17, 2022

Regulations Governing Selection of Directors of Taichung Commercial Bank Co., Ltd.

Article 1 The election of directors of the Company shall be handled in accordance with the Guidelines, unless otherwise provided by laws, regulations, or the Articles of Incorporation.

Article 2 The composition of the board of directors of the Company shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. The standards shall include the following 2 dimensions:

1. Basic requirements and values: Gender, age, nationality, and culture, etc.
2. Professional knowledge and skills: a professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Risk management ability.
5. Crisis management ability.
6. Knowledge of the industry.
7. An international market perspective.
8. Leadership ability.
9. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Company shall consider adjusting its composition based on the results of performance evaluation.

Article 3 The qualifications and election for the independent directors of this Company shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Article 4 Elections of both directors in this Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call an extraordinary shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso

of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, an extraordinary shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 5 The single-named ballot cumulative voting system shall be used for election of the directors of the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 6 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 7 The number of directors will be as specified of the Company's articles of incorporation and resolution of the board of directors, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.
- Article 8 Before the election begins, the chair shall appoint the counting personnel and a number of scrutineers with shareholder status to perform the duties of vote monitoring. The ballot boxes shall be prepared by the board of directors and publicly checked by the scrutineers.
- Article 9 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the person having the convening right.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot do not match director's candidate roster.
 5. Other words or marks are entered in addition to the number of voting rights allotted.
- Article 10 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 11 The board of directors of the Company shall issue notifications to the persons elected as directors.
- Article 12 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

This regulation was set up in the 6th Extraordinary Meeting of Shareholders on Oct. 20, 1968.

The 1st amendment was made in the 11th Extraordinary Meeting of Shareholders on Oct. 26, 1980.
The 2nd amendment was made in the 13th Extraordinary Meeting of Shareholders on Oct. 4, 1986.
The 3rd amendment was made in the 14th Extraordinary Meeting of Shareholders on Oct. 4, 1989.
The 4th amendment was made in the 15th Extraordinary Meeting of Shareholders on Oct. 13, 1992.
The 5th amendment was made in the 41th Annual Meeting of Shareholders on June 5, 1993.
The 6th amendment was made in the 17th Extraordinary Meeting of Shareholders on Oct. 12, 1998.
The 7th amendment was made in the Annual Meeting of Shareholders on May 17, 2002.
The 8th amendment was made in the Annual Meeting of Shareholders on June 15, 2007.
The 9th amendment was made in the Annual Meeting of Shareholders on June 13, 2013.
The 10th amendment was made in an Annual Meeting of Shareholders on June 28, 2019.
The 11st amendment was made in an Annual Meeting of Shareholders on July 1, 2021.

1. All directors minimum shareholding and the shareholdings listed in the registry of shareholders

Title	Shareholdings	Shareholdings registered in the registry of shareholders	Remarks
Director	120,000,000shares	159,766,877 shares	

Note: The stop transfer date is scheduled on March 17, 2023.

2. Directors shareholding list

Title	Name	Shareholdings registered in the registry of shareholders	Remarks
Chairman	Kuei-Fong Wang	639,267	
Managing Director	Hsu Tian Investment Co., Ltd., Representative: Ming-Hsiung Huang	159,127,610	
Independent managing director	Chien-An Shih	0	
Independent director	Li-Woon Lim	0	
Independent director	Hsin-Chang Tsai	0	
Independent director	Pi-Ta Chen	0	
Director	Hsu Tian Investment Co., Ltd., Representative: Te-Wei Chia	159,127,610	
Director	Hsu Tian Investment Co., Ltd., Representative: Shioh-Huey Yeh	159,127,610	
Director	Hsu Tian Investment Co., Ltd., Representative: Hsin-Ching Chang	159,127,610	
Director	Hsu Tian Investment Co., Ltd., Representative: Shih-Yi Chiang	159,127,610	
Director	Hsu Tian Investment Co., Ltd., Representative: Li-Tzu Lai	159,127,610	