

# Yuanta Securities Co., Ltd.

## Audit Committee Charter

Approved at the 40th meeting of the 5th Board of Directors on April 17, 2007  
Amended at the 2nd meeting of the 6<sup>th</sup> Board of Directors on August 21, 2007  
Amended at the 39th meeting of the 6th Board of Directors on June 24, 2010  
Amended at the 26th meeting of the 7th Board of Directors on March 22, 2012  
Amended at the 29th meeting of the 7th Board of Directors on May 24, 2012  
Amended at the 35th meeting of the 7th Board of Directors on October 25, 2012  
Amended at the 21st meeting of the 8th Board of Directors on November 7, 2014  
Amended at the 30th meeting of the 8th Board of Directors on June 25, 2015  
Amended at the 31st meeting of the 8th Board of Directors on July 30, 2015  
Amended at the 19th meeting of the 9th Board of Directors on November 30, 2017  
Amended at the 20th meeting of the 9th Board of Directors on December 28, 2017  
Amended at the 6th meeting of the 10th Board of Directors on November 5, 2019  
Amended at the 13th meeting of the 10th Board of Directors on May 7, 2020

- Article 1 This Charter is adopted pursuant to Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.
- Article 2 Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by the Company when the Audit Committee ("the Committee") exercises its powers and duties shall be handled in accordance with this Charter.
- Article 3 The main functions of the Audit Committee are to supervise the following matters:
- I. Fair presentation of the financial reports of the Company.
  - II. The appointment (and dismissal) of auditing Certified Public Accountants ("CPAs") and their independence and performance.
  - III. The effective implementation of the internal control system of the Company.
  - IV. Compliance with relevant laws and regulations by the Company.
  - V. Management and control of the existing or potential risks of this Company.
- Article 4 The Committee shall be composed of the entire numbers of independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise, and at least one of whom shall have securities and financial derivatives expertise.
- The term of office of the members of the Committee shall be the same as that of an independent director. When the number of independent directors of the Committee falls below that prescribed in the preceding paragraph or in the Articles of Incorporation due to an independent director's dismissal for any reason, the Company shall report its parent company to appoint a replacement to fill the vacancy pursuant to relevant laws.
- Article 5 Powers and duties conferred by the Securities and Exchange Act, the Company Act, the Financial Holding Company Act, and any other law to be exercised by supervisors, except those set forth in Article 14-4, Paragraph 4 of the Securities and Exchange Act, shall be exercised by the Committee.

The provisions of Article 14-4, Paragraph 4 of the Securities and Exchange Act, in regard to the Company Act as concerns the actions of supervisors or their role as representatives of a company, apply to the independent director members of the Committee.

Article 6 The powers and duties of the Committee are as follows:

- I. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- II. Assessment of the effectiveness of the internal control system.
- III. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, lending of funds to others, and endorsements or guarantees for others.
- IV. Matters in which a director of the Board is an interested party.
- V. Asset transactions or derivatives trading of a material nature.
- VI. Lending of funds, endorsements, or provision of guarantees of a material nature.
- VII. The offering, issuance, or private placement of any equity-type securities.
- VIII. The appointment or dismissal of auditing CPAs, or their compensation.
- IX. The appointment or discharge of a financial, accounting, risk management, compliance or internal audit officer, and the management holding the position as an executive vice president or above.
- X. Annual financial report signed or sealed by the chairperson, the manager, and the chief accounting officers and the second-quarter financial report, which is audited by CPAs.
- XI. Establishment of the policy to protect investors and appraisal on the implementation thereof.
- XII. Review on the Company's compliance with laws and regulations.
- XIII. Review on the risk management policy and framework.
- XIV. Establishment of the risk measurement criteria.
- XV. Management of the Company's overall risk limit and each business unit's risk limit.
- XVI. Review on the changes in accounting policies and accounting estimates subject to the competent authority's approval under Article 10 of the Regulations Governing the Preparation of Financial Reports by Securities Firms.
- XVII. Other material matters as may be required by the Company or by the competent authority

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire members of the Committee and shall be submitted to the Board of Directors of the Company for a resolution.

Any matter in Paragraph 1, with the exception of Subparagraph 10, that has not been approved by one half or more of the entire members of the Committee may be adopted with the approval of two thirds or more of the entire members of the Board of Directors, and is not subject to the restrictions in the preceding paragraph. And the resolutions of the Committee shall be recorded in the meeting minutes of the Board of Directors.

“The entire members” as used herein shall be counted as the number of the members actually in office at the given time.

The convener of the Committee shall represent the Committee to the public.

Article 7 The Committee shall convene once a month, and may call a meeting at its discretion whenever necessary.

In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each independent director member of the Committee 7 days prior to the meeting (via mail, fax or email). This requirement does not apply in emergency circumstances.

A member of the Committee shall be elected as the convener and meeting chairperson by and from the entire members of the Committee. When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another independent director member on the Committee as acting convener; if the convener does not make such an appointment, one independent director member of the Committee shall be elected by and from the other independent director members of the Committee to serve as convener.

The Committee may request the managers of relevant departments, internal auditing officers, accountants, legal counsels, or other personnel of the Company to attend the meeting as non-voting participants and provide pertinent and necessary information, provided that they shall leave the meeting when discussion or voting takes place.

When the Committee calls a meeting, it shall furnish the members of the Committee present at the meeting with relevant materials for reference as necessary.

Article 8 When a meeting of the Committee is held, an attendance book shall be made available for signing-in by the independent director members in attendance, and thereafter made available for reference.

Independent director members shall attend meetings of the Committee in person; if an independent director member is unable to attend in person, the independent director member may appoint another independent director member as proxy to attend the meeting. Attendance via telecommunications is deemed as attendance in person.

A member of the Committee that appoints another independent director member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of one-half or more of the entire members of the Committee. The result of a vote shall be made known immediately to the Committee and recorded in writing.

Except for Article 6, Paragraph 1, Subparagraph 10, if for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire members of the Board of Directors. Nevertheless, a written opinion indicating approval or disapproval shall be obtained from each independent director member with respect to the matters under Article 6, Paragraph 1, Subparagraph 10.

The proxy under Paragraph 2 may accept a proxy from one person only.

Article 9 Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

- I. The session, time and place of the meeting.
- II. The name of the meeting chairperson.

- III. Attendance by the independent director members, including the names and the number of members present, excused, and absent.
- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minute taker.
- VI. The matters reported at the meeting.
- VII. Agenda items: For each proposal, the method of resolution and the result; a summary of the comments of the independent director members of the Committee and experts and other persons present at the meeting; name of the independent director who is an interested party as referred to in Paragraph 1 of Article 11, explanation of the material aspects of the interest the director has, the reason why the director should or should not recuse himself or herself and whether or not the director has rescued; and any objections or reservations expressed.
- VIII. Extemporary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the independent director members of the Committee and experts and other persons present at the meeting; name of the independent director who is an interested party as referred to in Paragraph 1 of Article 11, explanation of the material aspects of the interest the director has, the reason why the director should or should not recuse himself or herself and whether or not the director has rescued; and any objections or reservations expressed.
- IX. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee and shall be appropriately preserved during the existence of the Company.

The minutes of a Committee meeting shall bear the signature or seal of both the chairperson and the minute taker, and a copy of the minutes shall be distributed to each independent director of the Committee within twenty (20) days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of Paragraph 1 may be produced and distributed in electronic form.

Article 9-1 Any and all meetings of the Committee shall be audio-recorded or videotaped from beginning to adjournment of the meeting as evidence and the files shall be kept for at least five (5) years. The files may be stored in the electronic form. If any litigation relating to a resolution of the meeting of the Committee commences before the expiry of the period in which the evidence shall be kept in accordance with the preceding paragraph, the relevant data of audio-recorded or videotaped evidence shall continually be kept until the conclusion of the litigation. For a meeting of the Committee convened via videoconferencing, the audio-recorded and videotaped data shall be part of the minutes of the meeting and shall be properly kept during the existence of the Company.

Article 10 The Committee's meeting agenda shall be prepared by the relevant units at the instruction of the convener. Other members may also put forward proposals for discussion by the Committee.

Article 11 An independent director member of the Committee shall explain the material aspects of the interest he or she has when he or she is an interested party with respect to a given agenda item. When such a relationship is likely to prejudice the interests of the

Company, the independent director shall not attend the discussion and voting and shall recuse himself or herself therefrom. Also, he or she shall not exercise the voting right for and on behalf of another independent director member.

Where the spouse or a blood relative within the second degree of an independent director is an interested party in the meeting matter mentioned in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

If, for the reason stated in Paragraph 1, an agenda item cannot be resolved at a meeting of the Committee, it shall be reported to the Board of Directors, which shall resolve on the item.

Article 12 The Committee may resolve to retain the service of an attorney, accountant, or other professionals to audit or provide advice with respect to matters in connection with Article 6 herein. The costs of their services shall be borne by the Company.

Article 13 The Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the Board of Directors and shall submit their proposals for deliberation by the Board of Directors.

Article 14 The Committee shall conduct periodic reviews of matters relating to this Charter and present the results for amendment by the Board of Directors.

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article 15 This Charter, and any amendments hereto, shall come into in force after adoption by a resolution of the Board of Directors.

[Disclaimer: This document is a translation from the original Chinese version. In the case of any discrepancy, the original document shall supersede this version.]