

Yuanta Securities Co., Ltd.

Rules Governing Transactions between Yuanta Securities Co., Ltd. and Related Parties

Approved at the 25th meeting of the 5th Board of Directors on February 21, 2006
Amended at the 26th meeting of the 5th Board of Directors on January 23, 2007
Amended at the 3rd meeting of the 6th Board of Directors on September 21, 2007
Amended at the 39th meeting of the 6th Board of Directors on June 24, 2010
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Amended at the 31st meeting of the 8th Board of Directors on July 30, 2015
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Amended at the 2nd meeting of the 10th Board of Directors on June 27, 2019
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Amended at the 38th meeting of the 10th Board of Directors on March 31, 2022
Amended at the 2nd meeting of the 11th Board of Directors on June 30, 2022
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Chapter 1 General Principles

Article 1 The Rules are established in order to comply with the provisions about the credit extension and other transactions with related parties under Article 44 and Article 45 of the Financial Holding Company Act (hereinafter referred to as the “FHCA”), which require that the terms of such transactions shall not be more favorable than those offered to other counterparties of the same category and shall satisfy the competent authority’s relevant rulings and interpretation letters.

Article 2 The “related party” referred to herein shall be defined as following:

I. The subject referred to in Article 44 of the FHCA:

- (I) Responsible person and major shareholders of Yuanta Financial Holding Co., Ltd. (“Yuanta Financial Holdings”).
- (II) A sole proprietorship or a partnership owned and operated by a responsible person or major shareholder of Yuanta Financial Holdings or an enterprise or an organization in which a responsible person or major shareholder of Yuanta Financial Holdings acts concurrently as its responsible person or representative.
- (III) Companies in which a majority of the directors concurrently act as the directors of Yuanta Financial Holdings or its subsidiary(ies).
- (IV) Subsidiaries of Yuanta Financial Holdings, and responsible persons and major shareholders of such subsidiaries.

II. The subjects referred to in Article 45 of the FHCA:

- (I) Yuanta Financial Holdings, and its responsible person and major shareholders.
- (II) A sole proprietorship or a partnership owned and operated by a responsible

person or major shareholder of Yuanta Financial Holdings or an enterprise or an organization in which a responsible person or major shareholder of Yuanta Financial Holdings acts concurrently as its responsible person or representative.

- (III) Affiliates of Yuanta Financial Holdings, and responsible persons and major shareholders of such affiliates.
- (IV) Yuanta Commercial Bank Co., Ltd. ("Yuanta Bank"), Yuanta Life Insurance Co., Ltd. ("Yuanta Life") and Yuanta Securities Co., Ltd. ("Yuanta Securities") as subsidiaries of Yuanta Financial Holdings, and their responsible persons.
- (V) The spouse and relatives by blood within second degree of kinship of the subjects referred to in the Items 1 to 4 of this subparagraph, as well as enterprises in which any of the person or his/her spouse acts as a director, supervisor or president and foreign company's branches in Taiwan in which the person or his/her spouse holds the position equivalent to a president. The definition of "the person" is limited to natural person (the subjects of this subparagraph hereinafter referred to as the "third parties having a relationship with its interested parties"). Nonetheless, trading by the company of the securities which are issued by the third parties having a relationship with its interested parties on Taiwan Stock Exchange Corporation and Taipei Exchange shall be excluded from the application of Article 45 of the FHCA.

The scope of the "responsible person", "responsible person of Yuanta Financial Holdings" and "enterprise in which it acts as the responsible person" referred to in the preceding paragraph:

- I. The responsible person referred to in the preceding paragraph includes a director, supervisor, president, vice president, assistant vice president, manager, or equivalent thereof.
- II. When a juristic person shareholder of Yuanta Financial Holdings is elected as director or supervisor in the capacity of a juristic person or through an authorized representative, the responsible person of Yuanta Financial Holdings shall include the juristic person shareholder as well as its chairman, the natural person who is lawfully appointed to represent the juristic person in the performance of duties and the authorized representative elected as a director or supervisor of Yuanta Financial Holdings on behalf of the juristic person.
- III. The term "an enterprise in which the responsible person or major shareholder of Yuanta Financial Holdings acts concurrently as its responsible person" referred to in the preceding paragraph shall mean an enterprise in which the responsible person or major shareholder of Yuanta Financial Holdings acts as its responsible person in accordance with Article 8 of the Company Act, including a foreign company's branch in Taiwan in which the responsible person or major shareholder of Yuanta Financial Holdings acts as its responsible person in accordance with the Company Act.
- IV. When the responsible person of Yuanta Financial Holdings is a juridical person, and it appoints a person other than those specified in Subparagraph 2 of this paragraph as the representative who is elected as a director or supervisor of other enterprises, such other enterprises shall not be deemed to be an enterprise in which the responsible person of Yuanta Financial Holdings acts concurrently as its responsible person.

Article 3 The “transaction” referred to herein shall be defined as following:

- I. The credit extension processed under Article 44 of the FHCA.
- II. Any of the following transaction other than credit extension processed under Article 45 of the FHCA:
 - (I) Investing in or purchasing securities issued by the related parties referred to in Paragraph 1 of Article 45 of the FHCA;
 - (II) Purchasing real estate or other assets of the related parties referred to in Paragraph 1 of Article 45 of the FHCA;
 - (III) Selling securities, real estate or other assets to the related parties referred to in Paragraph 1 of Article 45 of the FHCA;
 - (IV) Entering into a contract regarding payment of money or provision of services with the related parties referred to in Paragraph 1 of Article 45 of the FHCA;
 - (V) Arrangements involving any of the related parties referred to in Paragraph 1 of Article 45 of the FHCA acting as an agent or broker of Yuanta Financial Holdings or its subsidiary(ies) or providing other services which charge commission or fees;
 - (VI) Engaging in transactions with third parties having an interest with the related parties referred to in Paragraph 1 of Article 45 of the FHCA or engaging in transactions with third parties in which the related parties referred to in Paragraph 1 of Article 45 of the FHCA are involved. The “engaging in transactions with third parties in which the related parties referred to in Paragraph 1 of Article 45 of the FHCA are involved” excludes the following circumstances:
 1. Cases where Yuanta Financial Holdings’ subsidiaries serves as the custodian institution and the sales institution of the securities investment trust fund respectively, and the parties and agreed terms of the securities investment trust fund contract and sales contract do not involve any other related parties.
 2. Cases where Yuanta Financial Holdings or any of its subsidiaries engages in financial derivatives trading with a third party and the custodian institution is the subject referred to in Paragraph 1 of Article 45 of the FHCA.
 3. Cases where Yuanta Financial Holdings or any of its subsidiaries engages in the purchase or sales of ordinary corporate bonds issued by a third party in a secondary market and the guarantee institution is the subject referred to in Paragraph 1 of Article 45 of the FHCA.
 4. Cases where a subsidiary of Yuanta Financial Holdings serves as a co-underwriter of an international initial public offering (IPO) project and the related parties referred to in Paragraph 1 of Article 45 of the FHCA subscribe securities with the nature of equity shares in such project from the lead underwriter or other co-underwriters.

Investing in or purchasing securities issued by the related parties referred to in Paragraph 1 of Article 45 of the FHCA as mentioned in the Subparagraph 2.1 of preceding Paragraph hereof shall exclude the shares held by Yuanta Financial Holdings or any of its subsidiaries in any investee under Article 36 or Article 37 of the FHCA, or any other laws.

The securities referred to in the Subparagraphs 2.1 and 2.3, Paragraph 1 hereof shall exclude the negotiable certificate of time deposit issued by Yuanta Bank, a subsidiary of Yuanta Financial Holdings.

Article 3-1 When the Company operates the business of proprietary trading securities, the total amount of the investment cost for holding equity securities issued by a single related party may not exceed 5 percent of the Company's net worth. The total amount of the investment cost for holding equity securities issued by all related parties may not exceed 10 percent of the Company's net worth. Nonetheless, these restrictions are exempted in the cases of contract performance and hedging operations for call (put) warrants, exchange traded notes, and over-the-counter financial derivatives trading business; and in the case of hedging for beneficial certificates of exchange traded funds and the underlying baskets of stock represented by such beneficial certificates.

When the Company operates the credit business with related parties, the total credit limit of a single nature person may not exceed 3 percent of the Company's net worth, and the total credit limit of a single juristic person shall not exceed 15 percent of the Company's net worth. If the total credit amount to a single related party reaches 100 million, such proposal shall be reported to the Company's Board of Directors and approved by the Board of Directors by more than three-quarters of the directors in attendance at a Board of Directors meeting attended by more than two-thirds of all directors.

The related party in Paragraph 1 refers to the subjects in Subparagraph 2, Paragraph 1 of Article 2. The related party in Paragraph 2 refer to the subjects in Subparagraph 1, Paragraph 1 of Article 2.

Chapter 2 Trading Rules

Article 4 When engaging in the transactions referred to in the preceding articles with any related party, the Company shall comply with Article 44 and Article 45 of the FHCA, related decrees promulgated by the competent authority, and “SOP for the General Power of Attorney Regarding the Transactions other than Credit Extension Between Yuanta Financial Holdings and Related Parties Defined in Article 45 of the Financial Holding Company Act” (hereinafter referred to as the “SOP”).

The said SOP will be established separately.

Article 5 Before engaging in transactions with any other person, the related departments/offices of the Company shall access the related party system to check whether the counterparty is a related parties and save the record for future reference. If it is a related party transaction, these Rules shall apply.

If the counterparty in the preceding paragraph is a juristic person, its director, supervisor or president shall be included for check, and the following persons shall also be checked based on different transactions:

- I. When processing credit extension transaction, the shareholder who directly holds 10% shares and the ultimate beneficial owner shall be checked.
- II. When processing a transaction other than credit extension, the ultimate beneficial owner shall be clarified if the Company, its affiliates and their responsible persons or major shareholders are suspected to have de facto control or influence over such juristic person.

The related party checking procedures in the preceding paragraph will be established separately.

When engaging in transactions with the related parties referred to in Article 44 and Article 45 of the FHCA, the Company's related departments/offices shall comply with the provision requiring that the terms of such transactions shall not be more favorable than those offered to other same category counterparties.

When any transactions with related parties are reported to the Board of Directors for resolution or the decision maker, the Company's related departments/offices shall provide sufficient information and documents, including legal basis, causes, proposed trading terms and conditions, and certificates showing that the terms of such transactions are no more favorable than those offered to other same category counterparties to the Board of Directors or decision maker for reference. Notwithstanding, with respect to the following transactions other than credit extension between the Company or its subsidiaries and the subject referred to in Paragraph 1 of Article 45 of the FHCA, the management department is allowed to evaluate the reasonableness of the trading price independently and may be exempted from provision of the certificates showing that "the terms of such transactions are no more favorable than those offered to other same category counterparties" trade by trade:

- I. The spot foreign exchange transactions between the Company and Yuanta Bank or Yuanta Life, subsidiaries of Yuanta Financial Holdings, of which the trading conditions satisfy the market practices without any deviation from the inter-bank spot foreign exchange market price. The designated foreign exchange bank engaged in such transactions shall set forth the price negotiation standards on related transactions with related parties, and report the same to the Board of Directors for approval.
- II. Micro transactions at a single amount of no more than NT\$10,000.
- III. Transactions of public transportation charges (such as HSR), internet bills, and utility charges, which are subject to the consistent rates and non-negotiable.

The documents referred to in the preceding paragraph means:

- I. For the intended purchase or lease of real estate or other assets from the related parties, or intended sale of the real estate or other assets to the related parties, the certificates showing that the trading price has been assessed by an independent appraiser, or the terms of the transaction are no more favorable than those offered to other same category counterparties shall be provided.
- II. When engaging in any transactions other than those referred to in the preceding subparagraph with related parties, the certificates showing that the terms of the transaction are no more favorable than those offered to other same category counterparties shall be provided.

When resolving any transactions with related parties, the Company's directors shall note the following requirements in accordance with the related laws and decrees:

- I. A director who has a personal interest in the matter to be resolved, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another director, but shall be included in the number of directors present at the meeting.
- II. The other directors who have no interest in the matter shall confirm that the transaction will not impair the safe and stable management of Yuanta Financial Holdings and its subsidiaries, shall not breach the directors' fiduciary duty, and shall state the reasons of relevant resolution in the Board of Directors meeting

minutes.

- III. Before resolution, the Board of Directors shall disclose existing or potential conflicts of interest to the whole directors. The directors with potential conflict of interest shall disclose all facts related to the transaction, which shall be included into the Board of Directors meeting minutes.
- IV. The interest of Yuanta Financial Holdings and its subsidiaries shall be protected as the first priority. Meanwhile, it is necessary to ensure that none of the directors causes the Board of Directors to render any impartial resolution for his/her personal interest, abuses his/her position to sacrifice the interest of Yuanta Financial Holdings and its subsidiaries, or seeks personal benefits, in order to avoid any conflict of interest.

Article 6 The responsible persons and major shareholders of the Company and its subsidiaries shall provide any update on the information about themselves and their related parties voluntarily in a timely manner, in order to facilitate Yuanta Financial Holdings and its subsidiaries to update the information about related parties from time to time and to maintain the correctness of “Checking System for Related Parties Identified in Article 44 and Article 45 of the Financial Holding Company Act”.

Chapter 3 Supplementary Provisions

Article 7 These Rules shall be implemented upon approval of the Company's Board of Directors. Subsequent amendments hereto shall be effected in the same manner.

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