

# Yuanta Securities Co., Ltd.

## Rules Governing the Scope of Powers and Duties of Independent Directors

Approved at the 2nd meeting of the 6th 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 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 6th meeting of the 10th Board of Directors on November 5, 2019

Amended at the 18th meeting of the 10th Board of Directors on September 24, 2020

Amended at the 19th meeting of the 11th Board of Directors on July 27, 2023

Amended at the 24th meeting of the 11th Board of Directors on July 27, 2023

- Article 1 To ensure good corporate governance and establish a sound independent director system, these Rules are adopted pursuant to Paragraph 1 of Article 26 of the “Corporate Governance Best-Practice Principles for Securities Firms”.
- Article 2 Except as otherwise provided by law and regulation or by the Articles of Incorporation, matters concerning the powers and duties of independent directors of the Company shall be as set out in these Rules.
- Article 3 At least one independent director shall attend Board of Directors’ meeting in person; the following matters shall be submitted to the Board of Directors for resolution and all independent directors shall attend such Board meeting, and where any independent director is unable to attend such Board meeting in person, he/she shall appoint another independent director to attend the meeting in his or her proxy. When an independent director objects to or expresses reservations about any of the matters, it shall be recorded in the Board meeting minutes. If an independent director intends to express an objection or reservations but unable to attend the board meeting in person, then unless there is a legitimate reason to do otherwise, the independent director shall issue a written opinion in advance, which shall be recorded in the Board meeting minutes:
- I. The Company’s business plan.
  - II. Annual financial reports and second quarter financial reports that is required to be audited by a Certified Public Accountants (“CPA”) and signed or sealed by the chairperson, managers, and chief accounting officers.
  - III. Adoption of or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
  - IV. Assessment of the effectiveness of the internal control system.
  - V. Adoption of or amendments to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, lending of funds to others, and endorsements or guarantees for others pursuant to Article 36-1 of the Securities and Exchange Act.
  - VI. Matters in which a director is an interested party.
  - VII. Asset transactions or derivatives trading of a material nature.

- VIII. Lending of funds, endorsements, or provision of guarantees of a material nature.
- IX. The offering, issuance, or private placement of equity-type securities.
- X. The appointment or dismissal of the auditing CPAs and their compensation.
- XI. The appointment or discharge of a financial, accounting, risk management, compliance or internal audit officer, and the managers holding the position as an executive vice president or above.
- XII. Establishment of the policy to protect investors and appraisal on the implementation thereof.
- XIII. Review on the risk management policy and framework.
- XIV. Review on the Company's compliance with laws and regulations.
- XV. The performance evaluation and remuneration standards of the managers and sales personnel.
- XVI. The structure and system of directors' remuneration.
- XVII. 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.
- XVIII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation for imperative disaster relief relating to a major natural disaster may be submitted to the next Board meeting for recognition.
- XIX. Other matters required by law, regulation, or the Articles of Incorporation to be approved by resolution at a shareholders meeting or a Board meeting, or any matter of a material nature as prescribed by the competent authority.

The term "related party" in the subparagraph 18 of the preceding paragraph means a related party governed by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation or cumulative donations within the preceding year to a single recipient at an amount of NTD100 million or more, or at an amount equal to or greater than 1% of the net operating revenue or 5% of the paid-in capital as stated in the audited financial report for the most recent year, or at a lower amount referred to in any of the Company's rules.

The term "within the preceding year" as used in the preceding paragraph refers to the year preceding the date when the Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation.

Article 4      The Company shall insure all independent directors against the liability which they may be held legally liable during their tenure of office in carrying out their powers and duties.

After the Company has taken out or renewed liability insurance for independent directors, it shall submit a report to the next Board of Directors meeting on the insured amount, coverage, and premium rate of its liability insurance, and other important contents.

Article 5      The Company shall set forth the remuneration of the independent directors in its Articles of Incorporation.

Article 6      The Company shall arrange continuing professional education for the independent

directors, and the content and hours shall be subject to “Directions for Director Continuing Education of Yuanta Securities Co., Ltd.”.

Article 7      The Company may not interfere with, refuse, or evade the actions of independent directors in the performance of their business. As they deem necessary for performing those business, independent directors may request the Board of Directors to appoint relevant personnel or to engage professionals for assistance. The related necessary expenses shall be borne by the Company.

Article 8      When the Company’s independent director discovers that the Company or a subsidiary is likely to be materially harmed, the independent director shall handle the matter as quickly as possible, and immediately notify the audit committee, or the other independent director members of the audit committee, and report to the board of directors, and shall see to it that the Company reports to the competent authority.

Article 9      These Rules, and any amendments hereto, shall be implemented after adoption by the Board of Directors.

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