

**E.SUN FINANCIAL HOLDING Co., LTD.**  
**GENERAL SHAREHOLDERS MEETING 2022**

**Shareholders Meeting Agenda Handbook**

Time : 09 : 00 AM, 17 June 2022(Friday)

Place : The Taipei Herohouse  
No.20, Sec. 1, Changsha St., Taipei City, Taiwan

Means of Holding : visual communication assisted shareholders meeting  
(physical shareholders meeting supported by video conferencing)  
Virtual Meeting Platform : Adopt the Virtual Meeting Platform of Taiwan  
Depository & Clearing Corporation (TDCC)  
【<https://www.stockvote.com.tw>】

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## **I. Procedure of meeting**

1. Meeting in session.
2. Address by Chairman.
3. Matters for report.
4. Matters for ratification.
5. Matters for discussion.
6. Extempore motion.
7. Meeting adjourned.

## II. Matters for report

1. Report on the state of business of the Company in fiscal year 2021 by the President.

2. Report on the inspection and auditing of the final account for fiscal year 2021 and communications with internal auditing officers by the Audit Committee.

Explanation:

(1) The Company's financial statements for 2021 were audited by the Audit Committee, and all the independent directors jointly issued an audit report thereof.

(2) The communication between the Audit Committee and the internal audit supervisor is as follows:

Date	Object	Issues to communicate	Result
January 20, 2021	General Auditor	Submission of the 2020 Q4 audit working papers.	1. Explain and exchange opinions on issues raised by independent directors. 2. Proceed as recommended.
April 21, 2021	General Auditor	Submission of the 2021 Q1 audit working papers.	Duly noted without further recommendations.
August 18, 2021	General Auditor	Submission of the 2021 Q2 audit working papers.	Duly noted without further recommendations.
November 10, 2021	General Auditor	Submission of the 2021 Q3 audit working papers and matters immediately reported to directors in accordance with the principle of materiality.	Duly noted without further recommendations.
		Submission of the 2022 audit plan.	The plan was passed by a vote and no other recommendation.
November 12, 2021	General Auditor and other auditors	Discussions on internal/external audit related matters.	1. Explain and exchange opinions on issues raised by independent directors. 2. Proceed as recommended.

3. Amendment of the "Corporate Social Responsibility Best Practice Principles" and rename to "Sustainable Development Best Practice Principles".

Explanation:

- (1) This report is made in accordance with the Sustainable Development Best Practice Principles, Article 5 and Article 31.
- (2) The key points of the amendments are as follows:
  - 2.1 To comply with the international development trend and realize the goal of sustainable development, the Stock Exchange 2021.12.07 Announcement No. 1100024173 amended the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", and therefore the company change its "E.SUN FHC Corporate Social Responsibility Best Practice Principles" to "E.SUN FHC Sustainable Development Best Practice Principles"
  - 2.2 Based on the revision of the principle's name, and the concept that companies should attach importance to corporate social responsibility has expanded to sustainable development, the paragraph is amended from "corporate social responsibility" to "sustainable development. (Article 2~5, 7~10, 28~30)
  - 2.3 Adjust the scope of enforcing corporate greenhouse gas inventory and making disclosures thereof. (Article 17)
- (3) A comparison chart on amendments to "Sustainable Development Best Practice Principles" can be found below (please refer to Appendix 1 on p.67~p.72 of this Handbook for the full amended version).

Comparison Chart: Amendment of the Corporate Social Responsibility Best Practice Principles of E.SUN FHC

After amended	Before amended	Explanations
E.SUN FHC <u>Sustainable Development</u> Best Practice Principles	E.SUN FHC <u>Corporate Social Responsibility</u> Best Practice Principles	To comply with the international development trend and realize the goal of sustainable development, the Stock Exchange 2021.12.7 Announcement No. 1100024173 amended the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", and therefore the company change its "E.SUN FHC Corporate Social Responsibility Best Practice Principles" to "E.SUN FHC Sustainable Development Best Practice Principles"

After amended	Before amended	Explanations
Article 1 These Principles are adopted in accordance with the " <u>Sustainable Development</u> Best Practice Principles for TWSE/GTSM Listed Companies" for the implementation of corporate social responsibilities, promotion of economic, environmental, and societal advancement to achieve sustainable development, and management of the Company's economic, environmental, and social risks and influences.	Article 1 These Principles are adopted in accordance with the " <u>CSR</u> Best Practice Principles for TWSE/GTSM Listed Companies" for the implementation of corporate social responsibilities, promotion of economic, environmental, and societal advancement to achieve sustainable development, and management of the Company's economic, environmental, and social risks and influences.	In conjunction with the revision of the "CSR Best Practice Principles for TWSE/GTSM Listed Companies," the reference basis for this article is revised.

After amended	Before amended	Explanations
<p>Article 2 (...) The Company shall actively fulfill <u>sustainable development</u> so as to follow international development trends. The Company shall contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u>.</p>	<p>Article 2 (...) The Company shall actively fulfill its <u>corporate social responsibility</u> so as to follow international development trends. The Company shall contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>corporate social responsibility</u>.</p>	<p>Paragraph 2 of this article is amended based on the revision of the principle's name, and the concept that companies should attach importance to corporate social responsibility has expanded to sustainable development.</p>
<p>Article 3 In <u>promoting sustainable development</u>, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance. (...)</p>	<p>Article 3 In <u>fulfilling corporate social responsibility</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance. (...)</p>	<p>same as above</p>
<p>Article 4 To implement <u>sustainable development</u> initiatives, the Company should follow the following principles: I. Fully implement the corporate governance system. II. Build a sustainable environment. III. Safeguarding public welfare. IV. Enhancing the <u>sustainable development</u> information disclosure.</p>	<p>Article 4 To implement <u>corporate social responsibility</u> initiatives, the Company should follow the following principles: I. Fully implement the corporate governance system. II. Build a sustainable environment. III. Safeguarding public welfare. IV. Enhancing the <u>CSR</u> information disclosure.</p>	<p>same as above</p>



After amended	Before amended	Explanations
<p>Article 5</p> <p>The Company shall continue to track international trends on the <u>sustainable development</u> front, including the Sustainable Development Goals of the U.N., the Principles for Responsible Banking, the Principles for Responsible Investment, and the Paris Agreement while complying with the Equator Principles and signing up for relevant requirements issued by the Task Force on Climate-Related Financial Disclosures. The Company shall also take into consideration the correlation between the above development trends and corporate core business operations, and the effect of the operation of the Company and of its respective subsidiaries as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported in the shareholders meeting.</p> <p>When a shareholder proposes a motion involving <u>sustainable development</u>, the Company's board of directors should review and consider including it in the shareholders meeting agenda.</p>	<p>Article 5</p> <p>The Company shall continue to track international trends on the <u>corporate social responsibility</u> front, including the Sustainable Development Goals of the U.N., the Principles for Responsible Banking, the Principles for Responsible Investment, and the Paris Agreement while complying with the Equator Principles and signing up for relevant requirements issued by the Task Force on Climate-Related Financial Disclosures. The Company shall also take into consideration the correlation between the above development trends and corporate core business operations, and the effect of the operation of the Company and of its respective subsidiaries as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> programs, which shall be approved by the board of directors and then reported in the shareholders meeting.</p> <p>When a shareholder proposes a motion involving <u>corporate social responsibility</u>, the Company's board of directors should review and consider including it in the shareholders meeting agenda.</p>	<p>same as above</p>
<p>Article 7</p> <p>The board of directors of the Company shall exercise the due care of a good administrator and supervise the implementation of relevant <u>sustainable development</u> policies. They shall review the implementation progress from time to time and make continuous improvement to ensure the fulfillment of all <u>sustainable</u></p>	<p>Article 7</p> <p>The board of directors of the Company shall exercise the due care of a good administrator and supervise the implementation of relevant <u>CSR</u> policies. They shall review the implementation progress from time to time and make continuous improvement to ensure the fulfillment of all <u>CSR</u></p>	<p>same as above</p>

After amended	Before amended	Explanations
<p><u>development</u> requirements. The Company's board of directors should give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its <u>sustainable development</u> initiatives:</p> <p>I. Identifying the Company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines;</p> <p>II. Making <u>sustainable development</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives; and</p> <p>III. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information. (...)</p>	<p>requirements. The Company's board of directors should give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its <u>corporate social responsibility</u> initiatives:</p> <p>I. Identifying the Company's <u>corporate social responsibility</u> mission or vision, and declaring its <u>corporate social responsibility</u> policy, systems or relevant management guidelines;</p> <p>II. Making <u>corporate social responsibility</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <u>corporate social responsibility</u> initiatives; and</p> <p>III. Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information. (...)</p>	
<p>Article 8 The Company shall, on a regular basis, organize education and training on the implementation of <u>sustainable development</u> initiatives, including promotion of the matters prescribed under Paragraph 2 of the preceding Article.</p>	<p>Article 8 The Company shall, on a regular basis, organize education and training on the implementation of <u>corporate social responsibility</u> initiatives, including promotion of the matters prescribed under Paragraph 2 of the preceding Article.</p>	same as above
<p>Article 9 For the purpose of managing <u>sustainable development</u> initiatives, the Company shall establish a <u>governance structure to promote sustainable development</u>, and an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management</p>	<p>Article 9 For the purpose of managing <u>corporate social responsibility</u> initiatives, the Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>corporate social responsibility</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to</p>	1. To improve the management of sustainable development of companies, companies should strengthen the promotion of sustainable development goals by establishing a

After amended	Before amended	Explanations
<p>guidelines, and concrete promotional plans and to report to the board of directors on a periodic basis.</p> <p>The Company shall adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p> <p>Employee performance evaluation system shall be combined with <u>sustainable development</u> policies, and a clear and effective incentive and discipline system shall be established.</p>	<p>report to the board of directors on a periodic basis.</p> <p>The Company shall adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p> <p>Employee performance evaluation system shall be combined with <u>corporate social responsibility</u> policies, and a clear and effective incentive and discipline system shall be established.</p>	<p>governance structure. Therefore the Company amended paragraph 1 of this article according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies article8.</p> <p>2.Paragraphs 2 and 3 of this article is amended based on the revision of the principle's name, and the concept that companies should attach importance to corporate social responsibility has expanded to sustainable development.</p>
<p>Article 10</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.</p>	<p>Article 10</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>corporate social responsibility</u> issues which they are concerned about.</p>	<p>This article is amended based on the revision of the principle's name, and the concept that companies should attach importance to corporate social responsibility has expanded to sustainable development.</p>
<p>Article 12</p> <p>The Company shall endeavor to <u>improve energy efficiency</u> and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article 12</p> <p>The Company shall endeavor to <u>utilize all resources more efficiently</u> and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>This article is amended following Article 12 of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" to manage energy use and reduce greenhouse gas</p>

After amended	Before amended	Explanations
<p>Article 17 The Company should assess the risks and opportunities that climate change may bring in the immediate and long terms, and adopt countermeasures to address related issues. The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company. II. Indirect greenhouse gas emissions: emissions resulting from the generation of <u>imported</u> electricity, heat, or steam. III. <u>Other indirect emissions: Emissions from company activities that are not indirect emissions from energy sources but originate from sources owned or controlled by other companies.</u> (...)</p>	<p>Article 17 The Company should assess the risks and opportunities that climate change may bring in the immediate and long terms, and adopt countermeasures to address <u>climate-related</u> issues. The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company. II. Indirect greenhouse gas emissions: emissions resulting from the generation of <u>externally purchased</u> or <u>acquired</u> electricity, heat, or steam.</p>	<p>emissions.</p> <ol style="list-style-type: none"> <li>1. The company evaluates the risks and opportunities related to climate change and the measures it should take to deal with climate change, including but not limited to climate-related issues. Therefore, paragraph 1 of this article is amended by Article 17 of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</li> <li>2. The electricity related to indirect greenhouse gas emissions should include but not be limited to externally purchased or acquired electricity. Therefore, paragraph 2 of this article is amended according to Article 17 of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</li> <li>3. To achieve the goal of reducing greenhouse gas emissions and disclose other indirect greenhouse gas emissions in Scope 3, subsection 3 of paragraph 2 of this article is added</li> </ol>

After amended	Before amended	Explanations
		according to article 17 of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
<p>Chapter V Enhancing Disclosure of <u>sustainable development</u> Information Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> initiatives to improve information transparency. Information relating to <u>sustainable development</u> which is to be disclosed by the Company includes the following: I.The policy, systems, or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the board of directors. II. The risks involved or influences on the business operation or financial status of the Company due to the implementation of corporate governance system, the development of sustainable environment, or the protection of public welfare, etc. III. The Company's objectives and measures for <u>promoting</u> the <u>sustainable development</u>, and performance in implementation. IV.Major interested parties and the issues of concern. V.Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. VI. Other <u>sustainable development</u>-related information.</p>	<p>Chapter V Enhancing Disclosure of <u>CSR</u> Information Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its <u>corporate social responsibility</u> initiatives to improve information transparency. Information relating to <u>corporate social responsibility</u> which is to be disclosed by the Company includes the following: I.The policy, systems, or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> initiatives, as resolved by the board of directors. II. The risks involved or influences on the business operation or financial status of the Company due to the implementation of corporate governance system, the development of sustainable environment, or the protection of public welfare, etc. III.The Company's objectives and measures for <u>fulfilling</u> the <u>corporate social responsibility</u>, and performance in implementation. IV.Major interested parties and the issues of concern. V.Disclosure of information on major suppliers' management and performance with respect to</p>	<p>1. The title of Chapter 5 is amended in conjunction with the amendment of Article 4, paragraph 4. 2. This article is amended based on the revision of the principle's name, and the concept that companies should attach importance to corporate social responsibility has expanded to sustainable development.</p>

After amended	Before amended	Explanations
	<p>major environmental and social issues.</p> <p>VI. Other <u>CSR</u>-related information.</p>	
<p>Article 29</p> <p>The Company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainable development</u> reports, to disclose the status of its implementation of the <u>sustainable development</u> policy. In addition, the Company should obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports should include the following content:</p> <p>I.The policy, systems, or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives.</p> <p>II.Major interested parties and the issues of concern.</p> <p>III.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>IV.Improvement plans and targets in future.</p>	<p>Article 29</p> <p>The Company shall adopt internationally widely recognized standards or guidelines when producing <u>corporate social responsibility</u> reports, to disclose the status of its implementation of the <u>corporate social responsibility</u> policy. In addition, the Company should obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports should include the following content:</p> <p>I.The policy, systems, or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> initiatives.</p> <p>II.Major interested parties and the issues of concern.</p> <p>III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>IV.Improvement plans and targets in future.</p>	<p>1. In line with the specific promotion measures of "Corporate Governance 3.0 - Blueprint for Sustainable Development", the name of the "Corporate Social Responsibility Report" of listed companies was changed to "Sustainability Report."</p> <p>2. Paragraph1 and subsection1 of this article is amended based on the revision of the principle's name, and the concept that companies should attach importance to corporate social responsibility has expanded to sustainable development.</p>
<p>Article 30</p> <p>The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve its <u>sustainable development</u> framework and to obtain better results from the implementation of the <u>sustainable development</u> policy.</p>	<p>Article 30</p> <p>The Company shall at all times monitor the development of domestic and foreign <u>corporate social responsibility</u> standards and the change of business environment so as to examine and improve its <u>corporate social responsibility</u> framework and to obtain better results from the implementation of the <u>corporate social responsibility</u> policy</p>	<p>This article is amended based on the revision of the principle's name, and the concept that companies should attach importance to corporate social responsibility has expanded to sustainable development.</p>

#### 4. Report on the company's project for promoting sustainable development.

Explanation:

- (1) This report is made in accordance with the Sustainable Development Best Practice Principles, Article 5.
- (2) To fulfill its social responsibility as well as sustainable development, the Company, with a long-term commitment and systematic measures, endeavors to focus on three main dimensions; governance, social, and environmental. A summary of the report is as follows:

##### 2.1 Governance Aspect

###### 2.1.1 Corporate Governance:

Formulate an internal transition according to important measures for 2021-2023 in the Financial Supervisory Commission's Corporate Governance – Sustainable Development Blueprint. Continue to examine the performance evaluation indicators of the Board of Directors and add forward-looking and strategic quantified indicators. Strengthen disclosures of corporate governance information on the Market Observation Post System and websites of subsidiaries.

###### 2.1.2 Legal Compliance:

Continue to improve the professional competencies of compliance personnel, and strengthen integration and coordination between business units of subsidiaries and the three lines of defense through cross-position, cross-field, and cross-border learning. Implement systematic operations, integrate internal and external regulations databases, work together with overseas business locations of subsidiaries, monitor changes in important laws and regulations in Taiwan and overseas, business operations, and the latest supervision trends, and achieve the compliance of E.SUN's units in Taiwan and overseas.

###### 2.1.3 Information Security:

Increase the maturity of overall information security, protect customers' assets, and ensure continued operations. On the basis of the international standard ISO 27001, continue to strengthen the social engineering e-mail identification mechanism, expand the implementation scope of the information security management system, and continue to make improvements based on the PDCA cycle. Monitor events and analyze threats in real time through the Security Operation Center (SOC), and organize information security event response drills to improve the collaboration and response ability of the first and second lines of defense.

###### 2.1.4 Anti-Money Laundering:

Use international laws and regulations on anti-money laundering (AML) as a benchmark to improve AML/CFT management mechanisms, use smart technology to improve the

accuracy of risk identification, monitor international trends and external threats, and exert every effort to prevent financial crime. Implement a diverse training and supervisor system, and use a flexible and autonomous system to improve the efficiency of AML in Taiwan and overseas.

## 2.2 Social Aspect

### 2.2.1 Talent Cultivation and Development:

Widely recruit talents from different fields, combine offline courses with e-learning platforms, and cultivate managerial talent with expertise in financial services, technology, and sustainable development. Continue to improve the talent management system, improve the performance of duties by employees in each position, and implement development-oriented performance management. Give employees a bigger stage for career development through diverse development projects, such as job rotation.

### 2.2.2 Employee Care and Friendly Workplace:

Protect employees' rights and interests, and continue to improve the employee care system, including a mobile office app and work-from-home mechanism. Provide more comprehensive benefits planning and health promotion measures that meet employee needs. Improve the human resources service application platform, care for employees through a variety of flexible communication channels, and create a friendly workplace environment with equality.

### 2.2.3 Fair Customer Treatment and Customer Experience:

Implement the mystery shopper system for on-site audits and a customer complaint management system that complies with ISO standards, improve the quality of services and customer opinion handling efficiency, integrate the three lines of defense to implement and achieve compliance with the principle of treating customers fairly, and provide complete financial consumer protection. Establish a bank-wide product and process refinement mechanism based on the customer experience, and continue to improve customer satisfaction.

### 2.2.4 Inclusive Finance:

Utilize the power of technology to improve the customer experience, enhance the competitiveness of digitally native products at the same time, and combine promotion with the digital brand e.Fingo to provide customers with more convenient digital services. For small and micro enterprises, continue to collaborate with industry associations to drive the transformation of local specialty industries. For social enterprises, participate in local government guidance projects and social innovation competitions organized by universities, in order to jointly incubate even more social enterprises.



## 2.2.5 Social Welfare:

### 2.2.5.1 Academic Education

The E.SUN Golden Seed Project established 12 E.SUN Libraries, provided picture books, and supported studies on digital reading to improve students' reading literacy. Implement the after-class English assistance project "holding hands in English" in 23 elementary schools to improve the English proficiency of students in rural areas. Engage in industry-academia collaboration with 46 universities to cultivate talent with an expertise in finance, AI, and FinTech, and provide the Outstanding Management Talent Scholarship, ASEAN Talent Scholarship, and Nursing Talent Scholarship to cultivate more outstanding young students.

### 2.2.5.2 Community Involvement

Implement the student care program, in which assistance will be provided to over 12,000 underprivileged students or students who encounter unforeseen events this year. Co-organize blood donations and free clinics in rural areas together with partners, and continue to provide care to orphanages and children's homes. Assist the development of organic farming, encourage local farmers to engage in organic farming, and engage in activities to spread and promote indigenous culture.

### 2.2.5.3 Sports Development

Organized the E.SUN Cup International AAA Baseball Tournament for 16 consecutive years, supported the development of baseball in Taiwan, and organized youth baseball training camps, protection camps, and subsidies for baseball teams in rural areas, in order to train even more outstanding baseball players. Supported the participation of Taiwan's national team in international tournaments, such as the U18 World Cup and Asian Baseball Championship, helping the team gain international recognition.

### 2.2.5.4 Arts and Humanities

Continued to promote high quality arts and reading education events to improve humanistic literacy, and show humanistic care. Organized the E.SUN Awards, Eternal Love Concert, and For Mothers Concert. Supported international music or art performances in Taiwan, such as the Vienna Boys' Choir, to promote more arts and culture events.

## 2.3 Environmental Aspect

### 2.3.1 Sustainable Operating Environmentl:

Continued to implement energy conservation and carbon reduction measures, including the replacement of old and energy-consuming air conditions and lights, the replacement

of air conditioners that use R22 refrigerant to air conditions that use eco-friendly refrigerant, and the installation of electric vehicle charging equipment to promote low carbon transportation. New and old buildings all obtained Taiwan and international green building certifications, and promoted the development of renewable energy through the installation of solar panels, purchase of green energy certificates, and signing of renewable energy purchase agreements. Complied with carbon reduction goals defined for the 1.5°C scenario of the SBT, and dedicated efforts to achieve 100% renewable energy use by 2030.

#### 2.3.2 Carbon Reduction:

Continue to manage the Company's energy efficiency and become aligned with international standards according to ISO 50001 Energy Management Systems, ISO 14001 Environmental Management Systems, and ISO 20400 Sustainable Procurement Guidance, and examine the attainment of business management indicators according to ISO 14064 Greenhouse Gas Inventory and ISO 14046 Water Footprint Inventory. Implemented ISO 46001 Water Efficiency Management Systems and used the water footprint inventory as a basis to set suitable water conservation goals, improving water resource management through training, the internal audit system and concrete improvement measures.

#### 2.3.3 Climate Change Risks:

Responded to the Green Finance Action Plan 2.0 by actively participating in the competent authority's domestic climate risk scenario stress tests, and compiling a manual on climate-related risk management practices. Enhanced the Company's climate change risk management mechanism in response to relevant regulations.

Trained professional talent, dedicated efforts to the development of measurement and management tools, and continued to improve TCFD disclosures, in order to implement sustainable development concepts, strengthen climate change response measures, and drive stable business development.

#### 2.3.4 Sustainable Finance:

Exerted influence through financial services, and fulfilled the duty of responsible lending and responsible investment. Further developed ESG together with corporate customers, encouraged participation in ESG actions through ESG-linked loans, and presented ESG performance. Incorporated the spirit of ESG into financial services, and continued to issue sustainable financial products, including green finance and sustainable development bonds, carbon neutral credit cards, and green building loans.

- (3) The foregoing programs may, if the circumstance required or if needed, be adjusted by the Chairman or its designated person on the basis of the environment or special needs.

5. The status of remuneration distribution to employees and directors.

Explanation:

- (1) This proposal is made in accordance with Article 36 of the Articles of Incorporation of the Company.
- (2) Prior to remuneration distribution to employees and directors, the Company's pretax profit for 2021 came in at NT\$20,528,830,207. In accordance with the ratios in the Articles of Incorporation, employee compensation (2%~5%) was NT\$615,864,906 (including stock and cash compensation), and director compensation (not exceeding 0.9%) was NT\$81,800,000 in cash.
- (3) The remuneration distribution of employees is NT\$ 615,864,906. In accordance with Financial Supervisory Commission regulations Jin-Guan-Zheng-Shen-Zi No. 1050001900 of January 30, 2016, calculation of the foregoing number of allocated shares shall be made on the basis of the closing price NT\$29.90 per share on the day before the Board resolution. The number of shares allocated is 20,500,000 shares, the employee stock remuneration is NT\$612,950,000, and the employee cash remuneration is NT\$2,914,906.

6. Report on directors' and managers' remuneration policy.

Explanation:

- (1) The Company decides on director remuneration in accordance with its Articles of Incorporation and the E.SUN FHC Rules for Director Remuneration. All remuneration proposals are presented to the Remuneration Committee for review before board approval is sought.
- (2) Linking director remuneration to business performance in tandem with related policy, the Company takes an overall look at the total amount of such remuneration, way of payment, and future risks. Pursuant to the country's latest Corporate Governance Roadmap, the Company caps the growth rate in director remuneration for any given year at that recorded a year earlier in the event of a substantial net profit decline. To establish a mechanism for better linking director remuneration to personal performance and the Bank's future risks, specific ratios are set for a number of "personal performance" indicators that weigh on director remuneration. Also clearly spelled out is the provision that the Board of Directors may resolve to cut back or recover director remuneration if any director is determined to have been involved in a moral hazard event or otherwise undermined the Company's public image and reputation. On January 22, 2021, the Company decided that director remuneration shall be withheld if any director concurrently holds managerial positions at the Company and its subsidiaries; this was put into force from the distribution of director remuneration for 2020.
- (3) In accordance with the Company's Regulations for Remuneration of Managers, the performance review of senior managers and the policy, system, criteria, and structure with regard to their remuneration are subject first to deliberations of the Remuneration Committee and then to approval of the Board of Directors. To motivate managers to achieve and exceed corporate goals, create earnings, and advance business performance, the Company evaluates the remuneration of managers on a regular basis, during which the correlation with future risk is also considered. Such remuneration is granted with salary levels of the Company, industry peers, and the market at large also taken into account. Meanwhile, a reward deferral mechanism is implemented in accordance with the Company's Regulations for Long-Term Incentives so that the remuneration of managers can be linked to the Company's business performance more closely. On the other hand, bonuses for managers are bound to be adversely affected in the event of any major risk event that threatens to undermine corporate reputation, management deficiencies, abuses of various sorts, etc. Bonuses may be slashed or suspended. Meanwhile, the Company will conduct stress tests and scenario simulations to gauge risk that is likely to emerge in the future, based on which the Risk Management Committee will submit a risk exposure report to the Board of Directors every quarter.

(4) The Company's 2021 remuneration ranges for inside and independent directors are as follows:

Unit: NT\$

Bracket	Name of Directors			
	Total Remuneration of Directors		Total Remuneration of Directors Concurrently Serving as Employees	
	The Company	Companies in consolidated financial statements	The Company	Companies in consolidated financial statements
Under 1,000,000	Chairman of E.SUN Bank Joseph N. C. Huang, Magi Chen, Mao-Chin Chen	Magi Chen, Mao-Chin Chen	Mao-Chin Chen	
1,000,000 (inclusive)-2,000,000 (not inclusive)				
2,000,000 (inclusive)-3,500,000 (not inclusive)				
3,500,000 (inclusive)-5,000,000 (not inclusive)				
5,000,000 (inclusive)-10,000,000 (not inclusive)	E.SUN Culture and Education Foundation (Representative Joseph N. C. Huang), Hsin Tung Yang Co., Ltd. (Representative Jackson Mai), Fu-Yuan Investment Co., Ltd. (Representative Rong-Chu Chen), Shang Li Car Co., Ltd. (Representative Chien-Li Wu), Independent Director Ryh-Yan Chang, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao	E.SUN Culture and Education Foundation (Representative Joseph N. C. Huang), Hsin Tung Yang Co., Ltd. (Representative Jackson Mai), Fu-Yuan Investment Co., Ltd. (Representative Rong-Chu Chen), Shang Li Car Co., Ltd. (Representative Chien-Li Wu), Independent Director Ryh-Yan Chang, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao	Chairman of E.SUN Bank Joseph N. C. Huang, E.SUN Culture and Education Foundation (Representative Joseph N. C. Huang), Hsin Tung Yang Co., Ltd. (Representative Jackson Mai), Fu-Yuan Investment Co., Ltd. (Representative Rong-Chu Chen), Shang Li Car Co., Ltd. (Representative Chien-Li Wu), Independent Director Ryh-Yan Chang, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao	E.SUN Culture and Education Foundation (Representative Joseph N. C. Huang), Hsin Tung Yang Co., Ltd. (Representative Jackson Mai), Fu-Yuan Investment Co., Ltd. (Representative Rong-Chu Chen), Shang Li Car Co., Ltd. (Representative Chien-Li Wu), Independent Director Ryh-Yan Chang, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao
10,000,000 (inclusive)-15,000,000 (not inclusive)				

Bracket	Name of Directors			
	Total Remuneration of Directors		Total Remuneration of Directors Concurrently Serving as Employees	
	The Company	Companies in consolidated financial statements	The Company	Companies in consolidated financial statements
15,000,000 (inclusive)-30,000,000 (not inclusive)	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang)	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang), Chairman of E.SUN Bank Joseph N. C. Huang	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang), Magi Chen	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang), Magi Chen, Mao-Chin Chen
30,000,000 (inclusive)-50,000,000 (not inclusive)				Chairman of E.SUN Bank Joseph N. C. Huang,
50,000,000 (inclusive)-100,000,000 (not inclusive)				
Over 100,000,000				
Total	13	13	13	13

7. Report the adjustment of CPAs.

Explanation:

- (1) This report is made in accordance with the third paragraphs of Article 20 and the first paragraphs of Article 29 of the Articles of Incorporation of the Company.
- (2) With Deloitte Taiwan being engaged to audit and certify the Company's financial report, its internal adjustment led to the replacement of the two CPAs formerly charged with the duty—Chen Ying-Chou and Yang, Chen-Hsiu—with Yang, Chen-Hsiu and Lee, Kuan-Hao, effective from the first quarter of 2022.
- (3) On top of exposure to the financial and electronics industries, Lee, Kuan-Hao is a CPA with a solid track record in audits and certifications, M&As, and internal control system design. While Deloitte Taiwan has presented a statement of independence for Lee, Kuan-Hao, the independence and suitability of all members of the audit team have also been ascertained.
- (4) With the Company's CPAs deemed to have performed favorably and rendered satisfactory service quality in 2021, the Company decided to again engage Deloitte Taiwan to audit and certify its financial report in 2022.

### III. Matters for ratification

Proposal No. 1 as proposed by the Board of Directors:

**Proposal:** Recognition of the Company's business report and financial statements for fiscal year 2021.

Explanation:

1. This proposal is made pursuant to Article 230 of the Company Act and Article 35 of the Articles of Incorporation of the Company.
2. The financial statements of the Company produced on the year 2021 along with the books and accounts including the business report approved on 11 March 2022 by the 18<sup>th</sup> meeting of the 7<sup>th</sup> Board of Directors were audited and certified by Mr. Chen Yin-Chou and Mr. Chen-Hsiu Yang, both of whom were CPA of Deloitte & Touche (Taiwan). The books and accounts were inspected by the Audit Committee and further examined by the independent directors in their inspection report as containing no irregularity afterwards. (Please refer to Appendix 2 and 3 on p.73~p.90 of this Handbook.)

Resolution:



Proposal No. 2 as proposed by the Board of Directors:

**Proposal:** Proposal of net income distribution for fiscal year 2021.

Explanation:

1. The proposed is in accordance with Article 36-1 of the Articles of Incorporation of the Company.
2. For the year 2021, the Company has NT\$20,558,987,551 in after-tax net income that, plus NT\$574,536,363 for items other than the after-tax net profit for the current period, amounts to NT\$21,133,523,914. Minus an NT\$2,113,352,391 legal reserve deduction and an NT\$1,074,086,457 special reserve deduction from the year's "Other Equity Interest" pursuant to Article 41 of the Securities and Exchange Act and plus the undistributed earnings of NT\$9,456,141 at the beginning of the period, the Company has an amount of NT\$17,955,541,207 in earnings distributable for the year. It is planned to distribute earnings totaling NT\$17,947,582,000, where share dividends will be circa NT\$ 0.67 per share (totaling NT\$9,000,000,000) while cash dividends will be NT\$0.67 per share (totaling NT\$8,947,582,000). The balance of NT\$7,959,207 is retained as non-distributed earnings as of the end of the period.
3. A total of 900,000,000 common shares shall be issued to accommodate distribution of the said share dividend. Shareholders recorded in the shareholders' register as of the record date shall be entitled to 67 shares for every 1,000 held. Fractional shares may be paired with one another, held by other shareholders, into a whole share within the specified time period. For shares remained fractional with or without being paired, upon expiration of the said period, cash will nevertheless be paid according to their par value (and rounded to the nearest full Taiwan Dollar) and the Chairman is authorized to look for specified persons to buy the fraction of shares according to the face value.
4. The cash dividend being distributed shall be rounded off proportionately to the nearest Taiwan dollar; where there is any cash dividends less than TWD 1, its calculation shall be adjusted in line with a progressive decrease in decimal numbers and a progressive increase in shareholder numbers so that the total of dividend distribution is fully accounted for.
5. It is proposed that the Chairman of the Company would be fully authorized to deal with matters in connection with the change (if any) to the stock (cash) dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the

Company arising from any reasons.

6. Subject to approval of the shareholders' meeting, the Board of Directors and /or the chairman of the Company is authorized to determine the cash dividend record date. Upon approval of the competent authority, the Board of Directors and /or the Chairman of the Company is authorized to determine the stock dividend record date.

Resolution:

**E.SUN FINANCIAL HOLDING CO., LTD.****PROPOSED DISTRIBUTION OF EARNINGS**

As of 31 December 2021

Unit:: NT\$

Balance of beginning undistributed earnings		9,456,141
After-tax net profit of this period	20,558,987,551	
Retained earnings from confirmed benefit plan re-assessment number	234,662	
Retained earnings from the adjusted investments due to employing the equity method	574,301,701	
The total amount of after-tax net income for the period and other items adjusted to the current year's undistributed earnings other than after-tax net income for the period		21,133,523,914
Ten percent (10%) to be recorded as legal reserve		(2,113,352,391)
Allocation for special reserve		(1,074,086,457)
Distributable earnings for the period		17,955,541,207
Distribution items:		
Stock dividend (circa NT\$0.67 per share)	(9,000,000,000)	
Cash dividend (NT\$0.67 per share)	(8,947,582,000)	
Total shareholders' bonuses		(17,947,582,000)
Profit undistributed as of the end of the period		7,959,207

Note: Dividend distribution shall be based on after-tax earnings for the year as a first priority.

## IV. Matters for discussion

Proposal No. 1 as proposed by the Board of Directors:

**Proposal:** Amendment to Article of Incorporation

Explanation:

1. The key points of the amendments are as follows:
  - (1) Increase the approved capital to meet the company's business needs and capital planning. (Articles 5)
  - (2) To allow for greater flexibility in convening shareholders' meetings, the article is added in accordance with Paragraph 1, Article 172-2 of the Company Act to stipulate that the Company may hold shareholders' meetings virtually or by other means promulgated by the central competent authority.(Article 12-1)
  - (3) Regarding the functions and powers of the Audit Committee, the Company has formulated the "E.SUN Financial Holding Company Bylaws of Audit Committee" for compliance, so it is planned not to list the relevant provisions. (Article 29)
  - (4) To better reflect operational reality, better-rounded wording is added on establishment of functional committees and matters that warrant compliance. (Article 30)
  - (5) Revise the text to make the dividend policy specific and clear base on the actual dividend situation and future operational development needs. (Article 36-1)
2. A comparison chart on amendments to the Company's Articles of Incorporation can be found below (please refer to Appendix 4 on p.91~p.99 of this Handbook for the current version).

Resolution:

**Comparison Chart :**  
**Amendment of Articles of Incorporation of E.SUN FHC**

After amended	Before amended	Explanation
<p>Article 5 The total capital amount of the Company shall be <u>Two Hundred Billion New Taiwan Dollars (NT\$200,000,000,000)</u>, divided into <u>Twenty Billion (20,000,000,000)</u> shares at a par value of Ten New Taiwan Dollars (NT\$10) per share. The board of directors is authorized to issue such shares in installments. Within the total amount of shares given above, the Company may conduct buybacks and issue share subscription warrants and restricted stock for employees, with the Board of Directors authorized to resolve on doing so in installments. The intended recipients shall include employees of affiliate companies who meet certain criteria.</p>	<p>Article 5 The total capital amount of the Company shall be <u>One Hundred and Fifty Billion New Taiwan Dollars (NT\$150,000,000,000)</u>, divided into <u>Fifteen Billion (15,000,000,000)</u> shares at a par value of Ten New Taiwan Dollars (NT\$10) per share. The board of directors is authorized to issue such shares in installments. Within the total amount of shares given above, the Company may conduct buybacks and issue share subscription warrants and restricted stock for employees, with the Board of Directors authorized to resolve on doing so in installments. The intended recipients shall include employees of affiliate companies who meet certain criteria.</p>	<p>Increase the approved capital to meet the company's business needs and capital planning.</p>
<p>Article 12-1 The company may hold the shareholder's meeting by video conference or other methods announced by the Ministry of Economic Affairs, R.O.C.</p>	<p>(this article is added)</p>	<p>In response to the digital age, the Company provides a channel for shareholders to easily participate in shareholders' meetings. Therefore, this article is added that the Company's shareholders' meeting may adopt a video conference or other methods announced by the central competent authority according to Article 172-2, Paragraph 1 of the Company Act.</p>
<p>Chapter Six <u>AUDIT COMMITTEE AND FUNCTIONAL COMMITTEE</u></p>	<p>Chapter Six AUDIT COMMITTEE</p>	<p>In addition to the audit committee, the company's board of directors also sets up other functional committees according to their jobs and functions. Therefore, the title of this chapter is revised.</p>

After amended	Before amended	Explanation
(This article is deleted)	<p><u>Article 29</u> The audit committee shall have the following authority:</p> <ol style="list-style-type: none"> <li>1. <u>Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.</u></li> <li>2. <u>Assessment of the effectiveness of the internal control system.</u></li> <li>3. <u>Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for acquisition or disposal of assets, and handling derivatives trading transactions.</u></li> <li>4. <u>A matter bearing on the personal interest of a director.</u></li> <li>5. <u>A material asset or derivatives transaction.</u></li> <li>6. <u>The offering, issuance, or private placement of any equity-type securities.</u></li> <li>7. <u>The hiring or dismissal of an attesting CPA, or the compensation given thereto.</u></li> <li>8. <u>The appointment or discharge of a financial, accounting, or internal auditing officer.</u></li> <li>9. <u>Annual and semi-annual financial reports.</u></li> <li>10. <u>Any other material matter so required by the Company or the competent authorities.</u></li> </ol>	Regarding the functions and powers of the Audit Committee, the Company has formulated the "E.SUN Financial Holding Company Bylaws of Audit Committee" for compliance, so it is planned not to list the relevant provisions.
<p><u>Article 29</u> The exercise of the powers and duties and other compliance matters of the audit committee shall be handled in accordance with the relevant laws and regulations or the regulations of the Company.</p>	<p><u>Article 30</u> The exercise of the powers and duties and other compliance matters of the audit committee shall be handled in accordance with the relevant laws and regulations or the regulations of the Company.</p>	This article is moved from the current version of Article 30, and the content has not been amended.
<p><u>Article 30</u> The Company may set up other functional committees under the Board of Directors, with the numbers of members and their tenures and duties and powers to be spelled out in their respective organizational regulations.</p>	<p><u>Article 30</u></p>	In line with the revision of this chapter's title, the setting of functional committees and the relevant matters to be followed are updated.

After amended	Before amended	Explanation
<p>Article 36-1  <u>The company adopts a residual dividend policy to continuously strengthen the financial structure and improve profitability while maintaining adequate self-owned capital. It distributes stock dividends to retain the required funds, and the remaining surplus is distributed in cash dividends.</u>  If the final accounting shows profit, after having paid all taxes and duties, the losses accumulated in the preceding years shall be first covered before the remaining amount is appropriated as legal reserve and special reserve in accordance with the law. If necessary, a special reserve may also be appropriated. The distribution of remaining profits together with the reversal of special reserve as well as the retained earnings accumulated from previous years shall then be proposed by the board of directors and submitted for resolution at shareholders' meetings. <u>The Company may decide the most appropriate dividend policy and distribute cash dividends and/or stock dividends according to its operating strategy and future capital planning.</u>  <u>Cash dividends shall not be less than 10% of the total dividends.</u> However, in the event the proposed distribution of cash dividend is lower than NT\$0.1 per share, the Company may, at its sole discretion, opt to make such distribution in the form of stock dividends.  The distribution of dividends shall be conducted based on the shareholdings of shareholders as recorded in the shareholders register on the dividend distribution baseline date.</p>	<p>Article 36-1  If the final accounting of the Company shows profit, after having paid all taxes and duties, the losses accumulated in the preceding years shall be first covered before the remaining amount is appropriated as legal reserve and special reserve in accordance with the law. If necessary, a special reserve may also be appropriated. The distribution of remaining profits together with the reversal of special reserve as well as the retained earnings accumulated from previous years shall then be proposed by the board of directors and submitted for resolution at shareholders' meetings.  <u>In order to achieve the goal of sound financial structure and to increase the ratio of self-owned capital, the dividend distribution policy of the Company shall be formulated primarily on the basis of stock dividend. In the event that the BIS ratio of the Company at the time final dividends are proposed to be distributed after compilation of final financial statements is greater than that required by the competent authority, a portion of no less than 10% of total dividends may be distributed as cash dividend.</u> However, in the event the proposed distribution of cash dividend is lower than NT\$0.1 per share, the Company may, at its sole discretion, opt to make such distribution in the form of stock dividends.  The distribution of dividends shall be conducted based on the shareholdings of shareholders as recorded in the shareholders register on the dividend distribution baseline date.</p>	<p>Revise the text to make the dividend policy specific and clear base on the actual dividend situation and future operational development needs.</p>

After amended	Before amended	Explanation
<p>Article 40            These Articles are established on December 10, 2001.            The first amendment was made in the shareholders' meeting of June 26, 2002            The second amendment was made in the shareholders' meeting of June 11, 2004.            The third amendment was made in the shareholders' meeting of June 10, 2005.            The fourth amendment was made in the shareholders' meeting of June 9, 2006.            The fifth amendment was made in the shareholders' meeting of June 13, 2008.            The sixth amendment was made in the shareholders' meeting of June 22, 2012.            The seventh amendment was made in the shareholders' meeting of June 21, 2013.            The eighth amendment was made in the shareholders' meeting of June 20, 2014.            The ninth amendment was made in the shareholders' meeting of June 8, 2016.            The tenth amendment was made in the shareholders' meeting of June 16, 2017.            The eleventh amendment was made in the shareholders' meeting of June 14, 2019.            The eleventh amendment was made in the shareholders' meeting of June 14, 2019.  <u>The twelfth amendment was made in the shareholders' meeting of June 17, 2022.</u></p>	<p>Article 40            These Articles are established on December 10, 2001.            The first amendment was made in the shareholders' meeting of June 26, 2002            The second amendment was made in the shareholders' meeting of June 11, 2004.            The third amendment was made in the shareholders' meeting of June 10, 2005.            The fourth amendment was made in the shareholders' meeting of June 9, 2006.            The fifth amendment was made in the shareholders' meeting of June 13, 2008.            The sixth amendment was made in the shareholders' meeting of June 22, 2012.            The seventh amendment was made in the shareholders' meeting of June 21, 2013.            The eighth amendment was made in the shareholders' meeting of June 20, 2014.            The ninth amendment was made in the shareholders' meeting of June 8, 2016.            The tenth amendment was made in the shareholders' meeting of June 16, 2017.            The eleventh amendment was made in the shareholders' meeting of June 14, 2019.            The eleventh amendment was made in the shareholders' meeting of June 14, 2019.</p>	<p>Fill in the amendment date</p>



Proposal No. 2 as proposed by the Board of Directors:

**Proposal:** For the purpose of increasing the BIS ratio of the Company in consideration of the Company's long-term development and operation, it is proposed to implement a capital increase by recapitalization of both earnings and employee compensation.

Explanation:

1. Amount of the capital increase and number of shares:

The Company currently has NT\$133,546,000,000 in paid-in capital from a total of 13,354,600,000 issued shares. It is proposed that 900,000,000 new shares be issued on the amount of NT\$9,000,000,000 which is the profit distributable to shareholders as dividend; while employee compensation of NT\$615,864,906 included cash and stock remuneration, where, in accordance with Financial Supervisory Commission regulations Jin-Guan-Zheng-Shen-Zi No. 1050001900 of January 30, 2016, calculation of the foregoing stock compensation shall be made on the basis of the closing price NT\$29.90 per share one day prior to the day on when the Board resolution is made. A total of 20,500,000 new shares were issued. The foregoing recapitalized earnings totaled NT\$9,205,000,000 and 920,500,000 shares with a face value of NT\$10 per share were issued. After recapitalization, the Company's paid-in capital increased to NT\$142,751,000,000, and 14,275,100,000 shares were issued.

2. Source of the fund proposed to be capitalized:

Shareholder stock bonuses and employee stock bonuses from fiscal year 2021 will be recapitalized.

3. Purpose of the fund from the capital increase:

The increased capital fund will be used to increase the BIS ratio of the Company in consideration of the Company's long-term development and operation and strengthened competitiveness of the Company.

4. Issuance of new shares:

It is proposed that the new shares be issued in full with a par value of TWD 10 per share. Holders of the new shares shall hold the same rights and bear the same obligations as the holders of the original issued shares.

5. 900,000,000 shares of the new shares to be issued on the capital increase proposed shall be distributed, with no consideration paid, to the shareholders as registered in the shareholder's roster at the rate circa 67 new shares on each 1,000 shares held in proportion to their shareholding. Fractions of a share may be combined for full shares with the fractions of shares held by other shareholders within the specified time period. Upon expiration of the specified time period or fractions of a share still remain, cash will be paid according to the par value (and rounded to the nearest full Taiwan Dollar) and the chairman of the Company would be authorized to look for specified persons to buy the fraction of shares according to the par value.
6. Stock Dividend Record Date:  

After the proposal is adopted after deliberations and regulatory approval is granted, the Board of Directors and/or Chairman shall be authorized to decide on making it public.
7. As of now, the outstanding shares of the Company amount to 13,354,600,000 in total. It is proposed that the chairman of the Company would be authorized with full powers to deal with matters in connection with the change (if any) to the stock (cash) dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.

Resolution:

Proposal No. 3 as proposed by the Board of Directors:

**Proposal:** Amendment to the Company's "Procedures for assets acquisition or disposal" .

Explanation:

1. This proposal is made pursuant to the revised Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission on January 28, 2022.
2. The key points of the amendments are as follows:
  - (1) Enhance the quality of opinion statements presented by external experts. (Article 4~6 and Article 8)
  - (2) Bolster management of transactions with related parties: In tandem with conventions of major international capital markets, a new provision is added to stipulate that when the Company or a subsidiary not being a domestic public company engages in any acquisition or disposal of assets from or to a related party, the Company shall first present relevant information to its shareholders' meeting and secure approval thereof if the transaction amount reaches 10% or more of the Company's total assets. Transactions between the Company and a subsidiary or between its subsidiaries, however, shall be exempt from the need to undergo a shareholders' meeting and obtain approval thereof .(Article 12).
  - (3) Ease disclosure of information with regard to certain transactions. (Article 25).
3. A comparison chart on amendments to the Company's Procedures for assets acquisition or disposal can be found below (please refer to Appendix 5 on p.100~p.116 of this Handbook for the full amended version).

Resolution:

### Comparison Chart :

#### Amendment of the Procedures for assets acquisition or disposal of E.SUN FHC

After amended	Before amended	Explanations
<p>Article 4</p> <p>In acquiring or disposing of real property, equipment or their right of use assets, 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, acquiring or disposing of equipment for business use, or their right of use assets, 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"> <li>1. If, for any reason, the company needs to use restrictive, specific or special pricing to serve as reference for the transaction price, then the transaction must be resolved by the board of directors before proceeding. Likewise in the case of any changes to the terms of the transaction are made subsequently.</li> <li>2. Where the transaction amount is NT\$1billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>3. If a valuation conducted by a professional <u>appraiser</u> exhibits any of the following, a CPA must be engaged to provide an opinion with regards to the discrepant value and the reasonableness of the transaction price, except in situations where the valued price is higher than the acquisition price or lower than the selling price:               <ol style="list-style-type: none"> <li>(1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</li> <li>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the</li> </ol> </li> </ol>	<p>Article 4</p> <p>In acquiring or disposing of real property, equipment or their right of use assets, 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, acquiring or disposing of equipment for business use, or their right of use assets, 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"> <li>1. If, for any reason, the company needs to use restrictive, specific or special pricing to serve as reference for the transaction price, then the transaction must be resolved by the board of directors before proceeding. Likewise in the case of any changes to the terms of the transaction are made subsequently.</li> <li>2. Where the transaction amount is NT\$1billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>3. If a valuation conducted by a professional <u>value</u> exhibits any of the following, a CPA must be engaged to provide an opinion with regards to the discrepant value and the reasonableness of the transaction price <u>in accordance with Statement on Auditing Standards No. 20, published by the Accounting Research and Development Foundation of the Republic of China (ARDF)</u>, except in situations where the valued price is higher than the acquisition price or lower than the selling price:               <ol style="list-style-type: none"> <li>(1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction</li> </ol> </li> </ol>	<p>I. Article 8 has been amended to include the text demanding that external experts rendering their opinions comply with the self-regulatory rules of their respective industry, which already cover the procedures that a CPA must follow when rendering an opinion. As such, the Company deleted the text in Subparagraph 3 of Paragraph 1 demanding that a CPA render an opinion in accordance with the Statement on Auditing Standards No. 20, published by the Accounting Research and Development Foundation of the Republic of China (ARDF).</p>

After amended	Before amended	Explanations
<p>transaction amount.</p> <p>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 that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may be issued by the original professional appraiser.</p> <p>In the event that the appraisal results are obtained from two or more professional appraisers in pursuant to <u>Subparagraph 2</u> of the preceding paragraph, the different professional appraisers or appraisal officers may not be a related party or substantively related party of each other.</p>	<p>amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>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 that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may be issued by the original professional appraiser.</p> <p>In the event that the appraisal results are obtained from two or more professional appraisers in pursuant to <u>the second provision in</u> the preceding paragraph, the different professional appraisers or appraisal <u>personnel</u> may not be a related party.</p>	
<p>Article 5</p> <p>In case of acquisition or disposal of securities, the Company shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period which have been certified or reviewed by a certified public accountant. Such financial statements shall be used as a reference for appraising the transaction price. If the transaction amount has reached 20% of the company's paid-in capital or NT\$300 million, the Company shall, prior to the date of occurrence of the event, additionally engage a CPA to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to securities with publicly quoted prices from an active market, or if it has been otherwise provided by the regulations of the Financial Supervisory Commission (FSC).</p>	<p>Article 5</p> <p>In case of acquisition or disposal of securities, the Company shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period which have been certified or reviewed by a certified public accountant. Such financial statements shall be used as a reference for appraising the transaction price. If the transaction amount has reached 20% of the company's paid-in capital or NT\$300 million, the Company shall, prior to the date of occurrence of the event, additionally engage a CPA to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA requires the evidence of an expert report, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to securities with publicly quoted prices from an active market, or if it has been otherwise provided by the regulations of the Financial Supervisory Commission (FSC).</p>	<p>The reason for amendment is the same as that for the amendment to Article 4.</p>

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<p>Article 6</p> <p>If the dollar amount of intangible assets or their right-of-use assets or memberships to be acquired or disposed of by the Company is 20% or more of the Company's 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 provide an opinion regarding the reasonableness of the transaction price.</p>	<p>Article 6</p> <p>If the dollar amount of intangible assets or their right-of-use assets or memberships to be acquired or disposed of by the Company is 20% or more of the Company's 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 provide an opinion regarding the reasonableness of the transaction price; <u>the certified public accountant shall comply with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF of the ROC.</u></p>	<p>The reason for amendment is the same as that for the amendment to Article 4.</p>
<p>Article 8</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions must comply with the following regulations:</p> <ol style="list-style-type: none"> <li>1. Have not violated this Act, the Company Act, Banking Act, Insurance Act, Financial Holding Company Act, or Business Accounting Act, or committed any instances of fraud, breach of good faith, embezzlement, forgery of documents, or other business related criminal behavior, and received a confirmed sentence of more than one year of imprisonment. However, this condition shall not apply after three years have passed following the completion of the sentence, probation, or pardon.</li> <li>2. Are prohibited related parties or substantively related parties with the parties to the transaction.</li> <li>3. If the company should obtain appraisal reports from two or more appraisers, and the different estimators or estimation personnel may not be mutually related parties or substantively related parties.</li> </ol>	<p>Article 8</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions must comply with the following regulations:</p> <ol style="list-style-type: none"> <li>1. Have not violated this Act, the Company Act, Banking Act, Insurance Act, Financial Holding Company Act, or Business Accounting Act, or committed any instances of fraud, breach of good faith, embezzlement, forgery of documents, or other business related criminal behavior, and received a confirmed sentence of more than one year of imprisonment. However, this condition shall not apply after three years have passed following the completion of the sentence, probation, or pardon.</li> <li>2. Are prohibited related parties or substantively related parties with the parties to the transaction.</li> <li>3. If the company should obtain appraisal reports from two or more appraisers, and the different estimators or estimation personnel may not be mutually related parties or substantively related parties.</li> </ol>	<p>I. The various industry associations of external experts have established regulations for their own job duties. For instance, the self-regulatory rules have been established to govern real property appraisers rendering their appraisal report, and the associations of other external experts have all followed TWSE's "Practical Guidance for Experts Rendering Their Opinions" to establish their respective self-regulatory rules that specify the procedures and responsibilities that external experts must take when performing their duties. As such, the Company amended the introductory text of Paragraph 2 to require that the professional appraisers or appraisal officers, CPAs,</p>

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<p>If the foregoing personnel have provided an <u>appraisal</u> report or opinion, they must handle the case <u>according to the self-regulatory rules established by their respective industry associations and the following</u>:</p> <ol style="list-style-type: none"> <li>1. Before accepting the case, they must thoroughly assess their own abilities, practical experience, and independence.</li> <li>2. When <u>executing</u> a case, they must appropriately plan and implement suitable operating procedures, and must form conclusions and submit a report or opinion; all implemented procedures, collected data, and conclusions must be stated in detail in the case working papers.</li> <li>3. An item-by-item <u>review</u> of the <u>suitability</u> and reasonableness of the data sources, parameters, and information used <u>shall be conducted</u> to provide a basis for the submitted <u>appraisal</u> report or opinion.</li> <li>4. Stated matters should include the professional qualifications and independence of relevant personnel, a statement that the information used was <u>suitable</u> and reasonable, and a statement of compliance with relevant laws.</li> </ol>	<p>If the foregoing personnel have provided an <u>entertainment</u> report or opinion, they must handle the <u>case as follows</u>:</p> <ol style="list-style-type: none"> <li>1. Before accepting the case, they must thoroughly assess their own abilities, practical experience, and independence.</li> <li>2. When <u>taking</u> an <u>audit</u> case, they must appropriately plan and implement suitable operating procedures, and must form conclusions and submit a report or opinion; all implemented procedures, collected data, and conclusions must be stated in detail in the case working papers.</li> <li>3. An item-by-item <u>account</u> of the <u>completeness, correctness,</u> and reasonableness of the data sources, parameters, and information used, to provide a basis for the submitted <u>estimation</u> report or opinion.</li> <li>4. Stated matters should include the professional qualifications and independence of relevant personnel, a statement that the information used was reasonable and <u>correct</u>, and a statement of compliance with relevant laws.</li> </ol>	<p>attorneys, or securities underwriters who render an appraisal report or an opinion comply with the self-regulatory rules established by their respective industry associations, in addition to matters already prescribed in Paragraph 2.</p> <p>II. Considering that external experts undertaking or executing a case involving provision of an appraisal report or an opinion on reasonableness in accordance with these Procedures perform their work differently from the work of auditing financial statements, the Company amended the text in Subparagraph 2, Paragraph 2 and changed the text of “taking an audit case” to “executing a case” .</p> <p>III. Considering the prevailing practice taken by external experts to evaluate the data sources, parameters, and information, the Company, by consulting Item 3-5, Subparagraph 4, Paragraph 4, Article 9 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the official interpretation letter of the Accounting Research</p>

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		<p>and Development Foundation of the Republic of China (ARDF) coded ARDF-0000000298 and dated December 25, 2014, and the text in Article 27 of Statement of Appraisal Standards No. 8 that pertains to the suitability and reasonableness of data sources and parameters, amended the text in Subparagraph 3 and Subparagraph 4 of Paragraph 2, so as to align these Procedures with the prevailing practices.</p>
<p>Article 12 When this company acquires or disposes of real estate or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million, except when purchasing domestic government bonds, bonds with repurchase (reverse repurchase) agreements, subscription or buy back of currency market funds issued by domestic securities investment trust enterprises, or otherwise specified by law, this company must submit the following information to the Audit Committee, and obtain its approval, and may sign a transaction contract and make the payment only after the transaction has been approved by a board resolution:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.</li> <li>2. The reasons for transacting with the particular related party.</li> <li>3. Where real estate is acquired from a</li> </ol>	<p>Article 12 When this company acquires or disposes of real estate or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million, except when purchasing domestic government bonds, bonds with repurchase (reverse repurchase) agreements, subscription or buy back of currency market funds issued by domestic securities investment trust enterprises, or otherwise specified by law, this company must submit the following information to the Audit Committee, and obtain its approval, and may sign a transaction contract and make the payment only after the transaction has been approved by a board resolution:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.</li> <li>2. The reasons for transacting with the particular related party.</li> <li>3. Where real estate is acquired from a</li> </ol>	<p>I. Moved Paragraph 2 of the original article to Paragraph 4 of the amended article; added in accordance with Paragraph 3 the requirement that the calculation of transaction amounts include the transactions that require the approval of a shareholders' meeting.</p> <p>II. Added Paragraph 3: (I) To enhance related party management and ensure the right of minority shareholders of a public company to express their opinions on related-party transactions, the Company has referenced the regulations of primary international capital</p>



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<p>related party, any information that is relevant to establish the reasonableness of transaction terms under Articles 13 and 14.</p> <p>4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original trading counterparty and the Company/the Company's related parties.</p> <p>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 funds utilization.</p> <p>6. Professional value's report or CPA's opinion obtained according to the previous Article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>When this company engages in any of the following transactions with a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in the following transactions among themselves, the board may in accordance with Article 9 authorize the chairman to initially approve all such transactions within a certain amount, and subsequently submit the case to the next board meeting for retroactive acknowledgement:</p> <p>1. Acquisition or disposition of equipment for operating use or its right-of-use assets.</p> <p>2. Acquisition or disposition of right-of-use assets connected with real estate for operating use.</p> <p><u>Where the Company or its subsidiary that is not a domestically listed company engages in any transaction listed in Paragraph 1 and the transaction amount reaches 10 percent of the Company's total assets, the information listed in Paragraph 1 shall be submitted to the shareholders' meeting for approval;</u></p>	<p>related party, any information that is relevant to establish the reasonableness of transaction terms under Articles 13 and 14.</p> <p>4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original trading counterparty and the Company/the Company's related parties.</p> <p>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 funds utilization.</p> <p>6. Professional value's report or CPA's opinion obtained according to the previous Article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be conducted in accordance with Article 25, paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have already been approved by the Audit committee and resolved by the Board of Directors may be excluded from calculation.</u></p> <p>When this company engages in any of the following transactions with a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in the following transactions among themselves, the board may in accordance with Article 9 authorize the chairman to initially approve all such transactions within a certain amount, and subsequently submit the case to the next board meeting for retroactive acknowledgement:</p> <p>1. Acquisition or disposition of equipment for operating use or its</p>	<p>markets such as Singapore and Hong Kong that require that significant related party transaction be approved by a shareholders' meeting in advance. In addition, to prevent a public company from conducting significant related party transactions through an unlisted subsidiary to, for instance, circumvent the regulations that relevant materials must be submitted to and approved by the shareholders' meeting, the Company specified in these Procedures that (a) where a public company and its subsidiary that is not a domestically listed entity engages in any transaction listed in Paragraph 1 for the acquisition or disposal of assets by a related party, and the transaction amount reaches 10 percent of the total assets of the public company, the public company shall submit relevant documents to the shareholders' meeting for approval before proceeding with the transaction; and (b) where an unlisted</p>

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<p><u>only after such information has been approved by the shareholders' meeting may the contract be signed or payment be made. However, this does not apply to the transaction between the Company and its parent or subsidiary, or among subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be conducted in accordance with Article 25, Paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have already been approved by the Audit committee and resolved by a shareholders' meeting and the Board of Directors may be excluded from calculation.</u></p>	<p>right-of-use assets.</p> <p>2. Acquisition or disposition of right-of-use assets connected with real estate for operating use.</p>	<p>subsidiary is required to submit proposals to the shareholders' meeting, the subsidiary's publicly-listed parent company shall do so on behalf of the subsidiary.</p> <p>(II) Considering the needs for transactions between a public company and its parent or subsidiary, or among subsidiaries for the purpose of overall business planning, and by referring to the exemption regulations in the primary capital markets as mentioned above, the Company relaxed the proviso to exempt such transactions from having to be approved by a shareholders' meeting.</p> <p>(III) In addition, where the significant related party transaction is one of the circumstances stipulated in Subparagraph 1 through Subparagraph 3, Paragraph 1, Article 185 of the Company Act, the approval of a shareholders' meeting shall be by a special resolution</p>

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		as specified in Article 185 of the Company Act, and shall proceed pursuant to the matters stated before and relevant regulations of the Company Act.
<p>Article 25</p> <p>Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:</p> <ol style="list-style-type: none"> <li>1. When acquiring or disposing of real estate or its right-of-use assets from or to a related party, or acquiring or disposing of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million. However, the purchase of domestic government bonds, bonds with repurchase (reverse repurchase) agreements, or the subscription or buy back of currency market funds issued by domestic securities investment trust enterprises law shall not be subject to this restriction.</li> <li>2. Mergers, divestments, business acquisitions, or share exchanges.</li> <li>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the provisions herein.</li> <li>4. Acquisition or disposal of operating equipment or its right-of-use assets with non-related parties that amounts to more than NT\$1 billion.</li> <li>5. Where land is acquired under an arrangement engaging others to build on the company's own land, engaging others to build on rented</li> </ol>	<p>Article 25</p> <p>Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:</p> <ol style="list-style-type: none"> <li>1. When acquiring or disposing of real estate or its right-of-use assets from or to a related party, or acquiring or disposing of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million. However, the purchase of domestic government bonds, bonds with repurchase (reverse repurchase) agreements, or the subscription or buy back of currency market funds issued by domestic securities investment trust enterprises law shall not be subject to this restriction.</li> <li>2. Mergers, divestments, business acquisitions, or share exchanges.</li> <li>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the provisions herein.</li> <li>4. Acquisition or disposal of operating equipment or its right-of-use assets with non-related parties that amounts to more than NT\$1 billion.</li> <li>5. Where land is acquired under an arrangement engaging others to build on the company's own land, engaging others to build on rented</li> </ol>	<p>I. Considering that public companies have been exempted from announcing their trading of domestic government bonds, the Company amended Item 1, Subparagraph 6, Paragraph 1 of these Procedures to exempt the Company from announcing its trading of foreign government bonds of which the sovereign rating is not lower than the sovereign rate of the ROC.</p> <p>II. Foreign government bonds are simple by nature and usually have a rating better than that of an ordinary foreign company. In addition, exchange traded notes and exchange traded funds are similar products by nature. Considering this, the Company amended Item 2, Subparagraph 6, Paragraph 1 to exempt professional investment enterprises from announcing their subscription to domestic or foreign government bonds and subscription to or resale of exchange-traded notes.</p>

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<p>land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT\$500 million.</p> <p>6. Asset transactions other than the ones specified in the five preceding clauses, disposals of debt entitlement by a financial institution, or investments in Mainland China that amount to 20% of the company's paid-up capital or more than NT\$300 million. This shall not apply to the following circumstances:</p> <p>(1) <u>Trading of domestic government bonds, or a foreign government bond with a sovereign rating not lower than the sovereign rating of the ROC.</u></p> <p>(2) When purchasing or selling securities on the stock exchange or at a securities dealer's place of business, or subscribing to <u>foreign government bonds, ordinary corporate bonds or ordinary financial bonds (not including junior bonds) issued on the primary market for fund-raising purposes, or subscribing to or buying back securities investment trust enterprise funds or future trust funds, or subscription to or buying back of exchange-traded notes,</u> or when a securities dealer subscribes to securities in accordance with <u>Taipei Exchange</u> regulations due to its underwriting services or because it is the recommended securities dealer assisting an OTC-listed company.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of domestic money</p>	<p>land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT\$500 million.</p> <p>6. Asset transactions other than the ones specified in the five preceding clauses, disposals of debt entitlement by a financial institution, or investments in Mainland China that amount to 20% of the company's paid-up capital or more than NT\$300 million. This shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) When purchasing or selling securities on the stock exchange or at a securities dealer's place of business, or subscribing to ordinary corporate bonds or ordinary financial bonds (not including junior bonds) issued on the primary market for fund-raising purposes, or subscribing to or buying back securities investment trust enterprise funds or future trust funds, or when a securities dealer subscribes to securities in accordance with <u>GreTai Securities Market</u> regulations due to its underwriting services or because it is the recommended securities dealer assisting an OTC-listed company.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds that are issued by securities investment trust companies.</p> <p>The amount of transactions above shall be calculated as follows:</p>	

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<p>market funds that are issued by securities investment trust companies.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>The amount of any individual transaction.</li> <li>The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</li> <li>The cumulative transaction amount of real estate or its right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</li> <li>The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>"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 Procedures need not be counted toward the transaction amount.</p> <p>The Company shall, in accordance with requirements, compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by Company and its subsidiaries <u>that are not publicly-listed companies in Taiwan</u> and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by the regulations to be publicly announced and is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date on which the error or omission is known. After the Company publicly announces</p>	<ol style="list-style-type: none"> <li>The amount of any individual transaction.</li> <li>The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</li> <li>The cumulative transaction amount of real estate or its right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</li> <li>The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>"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 Procedures need not be counted toward the transaction amount.</p> <p>The Company shall, in accordance with requirements, compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by Company and its subsidiaries and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by the regulations to be publicly announced and is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date on which the error or omission is known. After the Company publicly announces its investment in Mainland China in compliance with Subparagraph 4, Paragraph 1 herein, should the competent authority approves of such investment announcement, the Company shall disclose the date of the original</p>	

After amended	Before amended	Explanations
<p>its investment in Mainland China in compliance with Subparagraph 4, Paragraph 1 herein, should the competent authority approves of such investment announcement, the Company shall disclose the date of the original public announcement, the name of the investee company in China, the estimated investment amount, trading counterparty, and the date of approval by the competent authority.</p> <p>When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where another act provides otherwise.</p>	<p>public announcement, the name of the investee company in China, the estimated investment amount, trading counterparty, and the date of approval by the competent authority.</p> <p>When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where another act provides otherwise.</p>	
<p>Article 33</p> <p>These Procedures were established on March 23, 2003 in the 7th session of the 1st meeting of the board of directors.</p> <p>The 1st amendment was made on May 15, 2003 in the 8th session of the 1st meeting of the board of directors.</p> <p>The 2nd amendment was made on February 14, 2007 in the 13th session of the 2nd meeting of the board of directors.</p> <p>The 3rd amendment was made on March 3, 2008 in the 17th session of the 2nd meeting of the board of directors.</p> <p>The 4th amendment was made on March 16, 2012 in the 9th session of the 4th meeting of the board of directors.</p> <p>The 5th amendment was made on February 24, 2014 in the 22nd session of the 4th meeting of the board of directors.</p> <p>The 6th amendment was made on March 24, 2017 in the 22nd session of the 5th meeting of the board of directors.</p> <p>The 7th amendment was made on January 18, 2019 in the 13th session of the 6th meeting of the board of directors.</p> <p><u>The 8th amendment was made on March 11, 2022 in the 18th session of the 7th meeting of the board of directors.</u></p>	<p>Article 33</p> <p>These Procedures were established on March 23, 2003 in the 7th session of the 1st meeting of the board of directors.</p> <p>The 1st amendment was made on May 15, 2003 in the 8th session of the 1st meeting of the board of directors.</p> <p>The 2nd amendment was made on February 14, 2007 in the 13th session of the 2nd meeting of the board of directors.</p> <p>The 3rd amendment was made on March 3, 2008 in the 17th session of the 2nd meeting of the board of directors.</p> <p>The 4th amendment was made on March 16, 2012 in the 9th session of the 4th meeting of the board of directors.</p> <p>The 5th amendment was made on February 24, 2014 in the 22nd session of the 4th meeting of the board of directors.</p> <p>The 6th amendment was made on March 24, 2017 in the 22nd session of the 5th meeting of the board of directors.</p> <p>The 7th amendment was made on January 18, 2019 in the 13th session of the 6th meeting of the board of directors.</p>	<p>Filled in the dates on which these procedures were amended.</p>

Proposal No. 4 as proposed by the Board of Directors:

**Proposal:** Amendment to the Company's "Procedure for Engaging in Derivatives Trading".

Explanation:

1. The key points of the amendments are as follows:

A provision is added to stipulate that the Company shall announce and report an unrealized loss from derivatives pursuant to Article 4, Paragraph 1, Subparagraph 20, Item 2 of "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" if such a loss reaches the threshold given therein (Article 22).

2. A comparison chart on amendments to the Company's "Procedure for Engaging in Derivatives Trading" can be found below (please refer to Appendix 6 on p.117~p.122 of this Handbook for the full amended version).

Resolution:

**Comparison Chart :**

**Amendment of Articles of Procedure for Engaging in Derivatives Trading of E.SUN FHC**

After amended	Before amended	Explanation
<p>Article 22 In the event that the Company incurs an aggregate loss in all derivatives contracts equivalent to 3.5% of its net worth given on the consolidated financial statements of the most recent quarter, the Company shall, based on the nature at point and using the prescribed format, make a public announcement and disclose related information on websites designated by the Financial Supervisory Commission within two days of the date of occurrence (inclusive). <u>The Company shall announce and report an unrealized loss from derivatives if such a loss reaches the threshold given in Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.</u></p>	<p>Article 22 In the event that the Company incurs an aggregate loss in all derivatives contracts equivalent to 3.5% of its net worth given on the consolidated financial statements of the most recent quarter, the Company shall, based on the nature at point and using the prescribed format, make a public announcement and disclose related information on websites designated by the Financial Supervisory Commission within two days of the date of occurrence (inclusive).</p>	<p>A provision is added in accordance with Article 4, Paragraph 1, Subparagraph 20, Item 2 of Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities to facilitate compliance.</p>



Proposal No. 5 as proposed by the Board of Directors:

**Proposal:** Amendment to the Rules for Procedure of Shareholders' Meeting.

Explanation:

1. As public companies are given the option of holding shareholders' meetings virtually under newly amended Article 172-2 of the Company Act, the Company is taking its lead from the amended "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" promulgated by Taiwan Stock Exchange Corp. in its Taiwan-Stock-Governance-1110004250 Announcement of March 8, 2022, to revise its Rules for Procedure of Shareholders' Meeting.
2. The key points of the amendment, which is meant mainly to prescribe regulations for virtual shareholders' meetings, are as follows:
  - (1) Adjust the timing for delivering the shareholders meeting agenda handbook and other supplementary materials electronically and offer extra means for shareholder perusal as dictated by the mode of meeting adopted (Article 3).
  - (2) Specify how the Company is to handle cases where shareholders intend to attend a shareholders' meeting virtually after they have appointed proxies and the Company has already received their powers of attorney (Article 5).
  - (3) Specify that the Company shall be exempt from venue restrictions when holding a virtual-only shareholders' meeting (Article 6).
  - (4) Specify timing and other requirements over shareholder registration for a virtual shareholders' meeting and timing for the Company to upload meeting materials to the virtual meeting platform (Article 7).
  - (5) Specify the key particulars to be included in the notice for a shareholders' meeting (Article 7-1).
  - (6) Specify requirements over recording the proceedings and materials of a virtual shareholders' meeting, including an uninterrupted audio and video recording thereof, as well as their upkeep (Article 9).
  - (7) Specify how numbers of shares are to be calculated for attendance at a virtual shareholders' meeting and how abortion of a meeting is to be announced. Specify that when the Company adopts a temporary resolution to convene a separate shareholders' meeting, shareholders need to register again if they intend to attend virtually (Article 10).

- (8) Make consistent the requirement over the number of times for shareholders to take the floor. Add wording over the means, procedures, and limits for shareholders attending a shareholders' meeting virtually to make proposals (Article 12).
  - (9) Specify the methods of voting and vote-counting at a virtual-only or hybrid shareholders' meeting. Add wording on the deadline for shareholders to deliver a written notice of cancelation if they want to attend a shareholders' meeting in person rather than virtually and specify that if shareholders have earlier registered to exercise voting rights by correspondence or electronically at a shareholder' meeting, they may attend this meeting virtually and only propose amendments to and vote on extraordinary motions unless they have withdrawn their declaration of intent (Article 14).
  - (10) Specify the deadline for shareholders to deliver a written notice of cancelation if they want to attend a shareholders' meeting in person or virtually rather than exercising voting rights electronically (Article 14-1).
  - (11) Specify the key particulars to be included in the minutes for a virtual shareholders' meeting (Article 16).
  - (12) Specify that the Company, when holding a virtual shareholders' meeting, shall disclose the total number of shares represented at the meeting on the virtual meeting platform (Article 17).
  - (13) Specify the minimum duration required for disclosure of voting and election results at a virtual shareholders' meeting (Article 20).
  - (14) Specify the location of the chair and secretary at a virtual shareholders' meeting (Article 21).
  - (15) Specify how the Company, when holding a virtual shareholders' meeting, is to offer connection test and related services, and how it will respond in the event of disconnection (Article 22).
  - (16) Specify that the Company, when convening a virtual shareholders' meeting, shall provide appropriate alternative measures to shareholders with difficulties in attending such a meeting (Article 23).
3. A comparison chart on the amendment to the Company's Rules for Procedure of Shareholders' Meeting can be found below (please refer to Appendix 7 on p.123~p.138 of this Handbook for the full amended version)

Resolution:

### Comparison Chart :

#### Amendment of the Rules for Procedure of Shareholders' Meeting of E.SUN FHC

After amended	Before amended	Explanation
<p>Article 3 (Convening shareholders meetings and shareholders meeting notices)</p> <p>The Company's shareholders' meetings shall, unless otherwise provided for in applicable laws and regulations, be convened by the Board of Directors. <u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>The background and details of the notice to convene a Meeting of Shareholders, the proxy form, the proposals to be acknowledged or discussed, and the list of directors to be elected or dismissed, <u>shareholders meeting agenda and supplemental meeting materials</u> shall be prepared in electronic format and sent to the Market Observation Post System not later than 30 days prior to the scheduled meeting date for a general meeting and 15 days for an extraordinary meeting. The agenda and supplemental documents for an upcoming shareholders meeting shall be made readily available to shareholders and displayed at the company not later than 15 days prior to the scheduled meeting date. <u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p>I. <u>For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p>II. <u>For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p>III. <u>For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p>	<p>Article 3 (Convening shareholders meetings and shareholders meeting notices)</p> <p>The Company's shareholders' meetings shall, unless otherwise provided for in applicable laws and regulations, be convened by the Board of Directors. The background and details of the notice to convene a Meeting of Shareholders, the proxy form, the proposals to be acknowledged or discussed, and the list of directors to be elected or dismissed shall be prepared in electronic format <u>and sent to the Market Observation Post System not later than 30 days prior to the scheduled meeting date for a general meeting and 15 days for an extraordinary meeting.</u> The agenda and supplemental documents shall be prepared in electronic format and sent to the Market Observation Post System not later than 21 days prior to the scheduled meeting date for a general meeting and 15 days for an extraordinary meeting. The agenda and supplemental documents for an upcoming shareholders meeting shall be made readily available to shareholders and displayed at the company not later than 15 days prior to the scheduled meeting date. The same agenda and supplemental documents shall also be <u>distributed at the venue during the shareholders meeting.</u></p> <p>The following paragraphs are not specifically amended herein shall remain unchanged therefore left out.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings on 2022.03.08, the provisions of article 3 are amended as followings,</p> <p>1. Changes to the manners of this Corporation convenes its shareholders meeting shall be resolved by the board of directors.</p> <p>2. For the corporate paid-in capital and foreign shareholding ratio; therefore, shareholders meeting agenda and supplemental meeting materials will be prepared in electronic format and sent to the MOPS not later than 30 days prior to the scheduled meeting date.</p> <p>3. The meeting agenda and supplemental meeting materials are available to shareholders for review in the manners accord to the forms of the shareholders meeting on the date of the shareholders meeting.</p>

After amended	Before amended	Explanation
<p>The following paragraphs are not specifically amended herein shall remain unchanged therefore left out.</p>		
<p>Article 5 (Proxy attendance at the shareholders meeting and authorization)</p> <p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Article 5 (Proxy attendance at the shareholders meeting and authorization)</p> <p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 4 are updated on the measurements for the shareholder wishes to attend the shareholders meeting online after a proxy form is delivered to the Corporation.</p>

After amended	Before amended	Explanation
<p>Article 6 (Principles determining the time and place of a shareholders meeting)</p> <p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>	<p>Article 6 (Principles determining the time and place of a shareholders meeting)</p> <p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 5 are amended as following, the restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders meeting.</p>
<p>Article 7 (Preparation of shareholders' meeting agenda handbook and attendance book, etc.)</p> <p>This Corporation shall state the time and venue of registration and other important information for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> in a notice of shareholders meeting.</p> <p>The time of registration in the preceding paragraph shall start at least thirty minutes prior to the meeting. The venue of registration shall be clearly indicated and sufficiently staffed.</p> <p><u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>This corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The attendance book, sign-in cards, and proxy attendance letters of authorization must be preserved for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such documents shall be preserved until the conclusion of the suit.</p>	<p>Article 7 (Preparation of shareholders' meeting agenda handbook and attendance book, etc.)</p> <p>This Corporation shall state the time and venue of registration and other important information for shareholders in a notice of shareholders meeting.</p> <p>The time of registration in the preceding paragraph shall start at least thirty minutes prior to the meeting. The venue of registration shall be clearly indicated and sufficiently staffed.</p> <p>This Corporation shall furnish the attending <u>shareholders and their proxies (collectively, "shareholders")</u> with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The attendance book, sign-in cards, and proxy attendance letters of authorization must be preserved for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such documents shall be preserved until the conclusion of the suit.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 6 are updated on the register time and related process for the shareholders attending virtual shareholders meetings; the time for this corporation to upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform.</p>

After amended	Before amended	Explanation
<p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
<p><u>Article 7-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u></p> <p><u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u></p> <p><u>How shareholders attend the virtual</u></p>	<p>(Newly added)</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08 and regarding the shareholders to understand the related rights and restrictions for</p>

After amended	Before amended	Explanation
<p>meeting and exercise their rights.</p> <p><u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p>I. <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p>II. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p>III. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p>IV. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>		<p>attending the shareholders meeting, the provisions of article 6-1 are updated on the particulars to be included in shareholders meeting notice.</p>

After amended	Before amended	Explanation
<p>Article 9 (Documentation of a shareholders meeting by audio or video)</p> <p>The company, starting at the time of registration, shall make a video or audio recording of the entire shareholders meeting in a continuous uninterrupted manner and including the registration process, the meeting, and the voting process.</p> <p>The aforesaid recordings shall preserve for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such recordings shall be preserved until the conclusion of the suit.</p> <p><u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> <p><u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>Article 9 (Documentation of a shareholders meeting by audio or video)</p> <p>The company, starting at the time of registration, shall make a video or audio recording of the entire shareholders meeting in a continuous uninterrupted manner and including the registration process, the meeting, and the voting process.</p> <p>The aforesaid recordings shall preserve for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such recordings shall be preserved until the conclusion of the suit.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08 and to ensure continuously audio and video record without interruption through the proceedings of the virtual meeting from beginning to end, the provisions of article 8 are updated on the record keeping of the related process and the information for the virtual meeting.</p>
<p>Article 10 (Calculation of the number of shares in attendance at the shareholders meeting and holding of the meeting)</p> <p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed, <u>and the shares checked in on the virtual meeting platform</u> in plus the number of shares whose voting rights are exercised by</p>	<p>Article 10 (Calculation of the number of shares in attendance at the shareholders meeting and holding of the meeting)</p> <p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 9 are amended the approach of calculation of the number of shares in attendance at</p>



After amended	Before amended	Explanation
<p>correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time, and the number of shares having no voting right and the number of shares in attendance shall be announced at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 7.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>The chair shall call the meeting to order at the appointed meeting time, and the number of shares having no voting right and the number of shares in attendance shall be announced at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>the shareholders meeting and the declaration process while the meeting is adjourned. In addition, for the shareholders meeting convened through tentative resolution, shareholders intend to attend the meeting online shall re-register</p>

After amended	Before amended	Explanation
<p>Article 12 (Shareholder speech)  Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.  A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.  Each shareholders speaking concerning a proposal may speak <u>only once</u> concerning a reporting matter, and each instance of speaking may not exceed 5 min. In the case of other proposals (including motions from the floor), shareholders may not speak more than twice without the chair's consent, and each instance may not exceed 5 min. However, the chair may terminate a shareholder's speaking if the shareholder violates regulations or speaks concerning issues outside the scope of the proposal topic.  When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.  When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.  After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.  <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned.</u>  <u>No more than two questions for the same proposal may be raised. Each</u></p>	<p>Article 12 (Shareholder speech)  Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.  A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.  Each shareholders speaking concerning a proposal may speak <u>only once concerning a reporting matter, and each instance of speaking may not exceed 5 min.</u> In the case of other proposals (including motions from the floor), shareholders may not speak more than twice without the chair's consent, and each instance may not exceed 5 min. However, the chair may terminate a shareholder's speaking if the shareholder violates regulations or speaks concerning issues outside the scope of the proposal topic.  When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.  When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.  After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>1. Adjust the consistency of the limit on the number of speeches made by shareholders.  2. In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 11 are updated on the method, process and restrictions of raising questions for the shareholders attending the virtual meeting online.</p>

After amended	Before amended	Explanation
<p>question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</p> <p><u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>		
<p>Article 14 (Voting on proposals, supervision of voting, and ballot counting method)</p> <p>Paragraphs 1-6 are not specifically amended herein shall remain unchanged and therefore left out.</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 7 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for</u></p>	<p>Article 14 (Voting on proposals, supervision of voting, and ballot counting method)</p> <p>Paragraphs 1-6 are not specifically amended herein shall remain unchanged and therefore left out.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 13 are amended as following,</p> <ol style="list-style-type: none"> <li>1. The approach of voting and counting of votes for the resolutions at the shareholders meeting by virtual or hybrid shareholders meeting resolutions.</li> <li>2. The time limit for the revocation of the shareholders who have registered to attend the meeting online decide to attend the shareholders meeting in person.</li> <li>3. The shareholders who exercise voting rights by correspondence or electronic means without withdrawing the declaration of intent shall attend the shareholders meeting online but shall exercise voting rights on extraordinary motions only.</li> </ol>

After amended	Before amended	Explanation
<p><u>extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p>Article 14-1 (Electronic voting)  When this company holds a shareholders meeting, it shall include electronic means as a possible channel for the exercise of voting rights, and this method shall be stated in the shareholders meeting notification. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.  After a shareholder has exercised voting rights by electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or attend the meeting online</u>, that shareholder should be able to use the same method as used to exercise his or her voting rights to express his or her wish to retract the exercise of voting rights in the previous paragraph before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by electronic means shall prevail.  When a shareholder has exercised voting rights by electronic means and by appointing a proxy to attend a</p>	<p>Article 14-1 (Electronic voting)  When this company holds a shareholders meeting, it shall include electronic means as a possible channel for the exercise of voting rights, and this method shall be stated in the shareholders meeting notification. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.  A shareholder intending to exercise voting rights by electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.  After a shareholder has exercised voting rights by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, that shareholder should be able to use the same method as used to exercise his or her voting rights to express his or her wish to retract the exercise of voting rights in the previous paragraph before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by electronic means shall prevail.  When a shareholder has exercised voting rights by electronic means and by appointing a proxy to attend a</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 13 are updated on the time limit for the revocation of after the shareholder has intended to exercise voting rights by electronic means, in the event the shareholder intends to attend the shareholders meeting in person.</p>

After amended	Before amended	Explanation
shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.	exercised by the proxy in the meeting shall prevail.	
<p>Article 16 (meeting minutes)  Paragraphs 1-4 are not specifically amended herein shall remain unchanged and therefore left out.</p> <p><u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online</u></p>	<p>Article 16 (meeting minutes)  Paragraphs 1-4 are not specifically amended herein shall remain unchanged and therefore left out.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 15 are updated on the particulars to be included in the virtual meeting minutes.</p>
<p>Article 17 (Public disclosure)  On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, <u>the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u> and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>Article 17 (Public disclosure)  On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 16 are updated as followings, if the cooperation convenes a virtual shareholder meeting, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform.</p>

After amended	Before amended	Explanation
<p><u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</p>		
<p><u>Article 20 (Disclosure of information at virtual meetings)</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>	(Newly added)	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 19 are updated on the sufficient time period for disclosing of real-time results of votes and election at virtual meetings</p>
<p><u>Article 21 (Location of the chair and secretary of virtual-only shareholders meeting)</u></p> <p><u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	(Newly added)	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 20 are amended as the location of the chair and secretary of virtual-only shareholders meeting</p>

After amended	Before amended	Explanation
<p><u>Article 22 (Handling of disconnection)</u>  <u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u>  <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u>  <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u>  <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u>  <u>During a postponed or resumed</u></p>	<p>(Newly added)</p>	<p>In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 21 are amended as followings,</p> <ol style="list-style-type: none"> <li>1. In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting.</li> <li>2. The event of virtual shareholders meeting, the chair shall declare the follow-up measures if virtual meeting is obstructed due to natural disasters, accidents or other force majeure events.</li> <li>3. For a meeting being postponed or resumed as the communication technical issues shall be adopted the related measures depends on the situation.</li> </ol>

After amended	Before amended	Explanation
<p><u>session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public</u></p>		



After amended	Before amended	Explanation
<u>Companies, this Corporations shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u>		
<u>Article 23 (Handling of digital divide)</u> <u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>	(Newly added)	In line with Taiwan Stock Exchange Corporation's declaration of the amendment of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on 2022.03.08, the provisions of article 22 are updated on this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.
<u>Article 24</u> These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.	<u>Article 20</u> These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.	The sequence of the article is amended.
<u>Article 25</u> These Rules were formulated on December 10, 2001. Amended for the first time at the shareholders' meeting on June 28, 2011. Amended for the second time at the shareholders' meeting on June 22, 2012. Amended for the third time at the shareholders' meeting on June 12, 2015 Amended for the fourth time at the shareholders' meeting on June 14, 2019. Amended for the fifth time at the shareholders' meeting on June 12, 2020. Amended for the sixth time at the shareholders' meeting on June 11, 2021. <u>Amended for the seventh time at the shareholders' meeting on June 17, 2022.</u>	<u>Article 21</u> These Rules were formulated on December 10, 2001. Amended for the first time at the shareholders' meeting on June 28, 2011. Amended for the second time at the shareholders' meeting on June 22, 2012. Amended for the third time at the shareholders' meeting on June 12, 2015 Amended for the fourth time at the shareholders' meeting on June 14, 2019. Amended for the fifth time at the shareholders' meeting on June 12, 2020. Amended for the sixth time at the shareholders' meeting on June 11, 2021	1. The sequence of the article is amended. 2. The date of amendment is amended.

## **V. Extempore motion**

(The Handbook is available in Chinese and in English. If there is any discrepancy between Chinese and English version, the Chinese version shall govern.)

## **VI. Appendices**

1. Sustainable Development Best Practice Principles
2. Business report
3. Financial Statements of fiscal 2021
4. Articles of Incorporation.
5. Procedures for assets acquisition or disposal
6. Procedure for Engaging in Derivatives Trading
7. The Rules for Procedure of Shareholders' Meeting
8. Shareholdings of members of the 7th Board of Directors

<Appendix 1>

## **E.SUN FHC Sustainable Development Best Practice Principles**

(If there is any discrepancy between Chinese version and English version of the articles, the Chinese version shall prevail.)

Approved on 2013.02.01 during the 15th Meeting of the Fourth Board of Directors  
Approved on 2015.1.30 during the 6th Meeting of the Fifth Board of Directors  
Approved on 2016.11.04 during the 19th Meeting of the Fifth Board of Directors  
Approved on 2018.08.10 during the 10th Meeting of the Sixth Board of Directors  
Approved on 2019.04.24 during the 15th Meeting of the Sixth Board of Directors  
Approved on 2020.03.12 during the 20th Meeting of the Sixth Board of Directors  
Approved on 2022.01.14 during the 17th Meeting of the Seventh Board of Directors

### Chapter I General Provisions

- Article 1 These Principles are adopted in accordance with the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" for the implementation of corporate social responsibilities, promotion of economic, environmental, and societal advancement to achieve sustainable development, and management of the Company's economic, environmental, and social risks and influences.
- Article 2 These Principles are applicable to the Company and its subsidiaries, including their entire business operations.  
The Company shall actively fulfill sustainable development so as to follow international development trends. The Company shall contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.
- Article 3 In promoting sustainable development, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance.  
Based on the materiality principle, the Company shall conduct risk assessment on environmental, social, and corporate governance issues that may bear on its operations, and implement a risk management policy or strategy accordingly.  
Over the course of KYC, business evaluation, and product and service development, the Company shall, by means of rendering financial services or channeling funds, take account of such sustainable development elements as society and the environment and incorporate them into relevant processes. These include introducing assessment of the impact on society and environmental sustainability, building relevant mechanisms, and gradually reducing negative effects on society and the environment, thereby facilitating social development and environmental sustainability.
- Article 4 To implement sustainable development initiatives, the Company should follow the following principles:  
I. Fully implement the corporate governance system.  
II. Build a sustainable environment.  
III. Safeguarding public welfare.  
IV. Enhancing the sustainable development information disclosure.
- Article 5 The Company shall continue to track international trends on the sustainable development front, including the Sustainable Development Goals of the U.N., the Principles for Responsible Banking, the Principles for Responsible Investment, and the Paris Agreement while complying with the Equator Principles and signing up for relevant requirements issued by the Task Force on

Climate-Related Financial Disclosures. The Company shall also take into consideration the correlation between the above development trends and corporate core business operations, and the effect of the operation of the Company and of its respective subsidiaries as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported in the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the Company's board of directors should review and consider including it in the shareholders meeting agenda.

## Chapter II Sound Corporate Governance

Article 6 The Company should adhere to the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The board of directors of the Company shall exercise the due care of a good administrator and supervise the implementation of relevant sustainable development policies. They shall review the implementation progress from time to time and make continuous improvement to ensure the fulfillment of all sustainable development requirements.

The Company's board of directors should give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its sustainable development initiatives:

I. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;

II. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and

III. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors authorizes the President to handle all matters relating to economic, environmental, and social issues resulting from the Company's business operations and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company shall, on a regular basis, organize education and training on the implementation of sustainable development initiatives, including promotion of the matters prescribed under Paragraph 2 of the preceding Article.

Article 9 For the purpose of managing sustainable development initiatives, the Company shall establish a governance structure to promote sustainable development, and an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report to the board of directors on a periodic basis.

The Company shall adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

Employee performance evaluation system shall be combined with sustainable development policies, and a clear and effective incentive and discipline system shall be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

## Chapter III Fostering a Sustainable Environment

- Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.
- Article 12 The Company shall endeavor to improve energy efficiency and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.
- Article 13 The Company shall establish proper environment management systems. Such systems shall include the following tasks:
- I. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
  - II. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
  - III. Adopting enforcement measures such as concrete plans or action plans, and examining the results of its operation on a regular basis.
- Article 14 The Company shall appoint the the Administration Division as the dedicated environmental management unit for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environment education courses for managerial officers and other employees on a periodic basis.
- Article 15 The Company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:
- I. Reduce, reuse, recycle, regenerate, and refuse resource and energy consumption to reduce the impact of business operations on the natural environment.
  - II. Promote education on environmental protection and energy conservation and encourage green procurement among corporations to employees and their families to exert positive influence on the general public in the society.
  - III. Provide digital financial services and and promote paperless transactions.
  - IV. Encourage suppliers and customers to adopt environmental measures and work together to conserve energy, reduce carbon emission, and protect the earth.
- Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.
- Article 17 The Company should assess the risks and opportunities that climate change may bring in the immediate and long terms, and adopt countermeasures to address related issues.  
The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:
- I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
  - II. Indirect greenhouse gas emissions: emissions resulting from the generation of imported electricity, heat, or steam.
  - III. Other indirect emissions:
  - IV. Emissions from company activities that are not indirect emissions from energy sources but originate from sources owned or controlled by other companies.
- The Company should compile statistics on greenhouse gas emissions, water consumption, and total weight of waste; adopt a policy on energy conservation and carbon reduction, reductions in greenhouse gas emissions and water consumption, and waste management; and incorporate the acquisition of carbon rights into its carbon reduction strategy and act accordingly. Such strategies shall aim to minimize the impact of business operations on climate change.

#### Chapter IV Safeguarding Public Welfare

- Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of

Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

I. Presenting a corporate policy or statement on human rights.

II. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.

III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.

IV. In the event of any infringement of human rights, the Company shall disclose the processes for handling the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information to its employees so that employees have knowledge of the labor laws and rights they enjoy in the countries where the Company has business operations.

Article 20 The Company should provide a safe and healthy work environment for its employees, including necessary health and first-aid facilities and endeavor to curb dangers to employees' safety and health so as to prevent occupational accidents.

The Company should organize training on safety and health for its employees on a regular basis.

Article 21 The Company should create a positive environment for employees' career development and establish an effective professional training program.

The Company shall devise and offer reasonable employee benefits (including remuneration, leave, and other benefits) as well as reasonably reflect business performance or fruits in employee remuneration to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 The Company's subsidiaries should treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to file complaints, and professionalism of salespersons. The Company should also develop relevant strategies and specific measures for implementation.

Article 23 The Company shall take responsibility for its products and services and take marketing ethics seriously. In the process of delivering financial products and services, the Company shall ensure the transparency and safety of its products and services, establish and disclose policies on

consumer rights and interests, and enforce them in the course of business operations in order to prevent products and services from adversely impacting the rights, interests, health, and safety of consumers.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of the industry in which it operates.

When it comes to product marketing and labeling in relation to customer health, safety, and privacy, the Company shall abide by applicable laws, regulations and international guidelines and may not deceive, mislead, commit fraud, or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company should evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company should provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints and shall comply with relevant laws and regulations stipulated by the Personal Information Protection Act, respect consumers' rights of privacy, and ensure the security of personal data provided by consumers.

Article 26 The Company should assess the impact its procurement has on society and the environment of the community from which procurements are made as well as cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

The Company should adopt a supplier management policy that requires suppliers to comply with applicable regulations in the areas of environmental protection, occupational safety and health, and labor rights. Prior to engaging in commercial dealings, the Company should assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company should, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

#### Chapter V Enhancing Disclosure of sustainable development Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency.

Information relating to sustainable development which is to be disclosed by the Company includes the following:

- I. The policy, systems, or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
- II. The risks involved or influences on the business operation or financial status of the Company due to the implementation of corporate governance system, the development of sustainable environment, or the protection of public welfare, etc.
- III. The Company's objectives and measures for promoting the sustainable development, and performance in implementation.
- IV. Major interested parties and the issues of concern.
- V. Disclosure of information on major suppliers' management and performance with respect to



major environmental and social issues.

VI. Other sustainable development-related information.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of its implementation of the sustainable development policy. In addition, the Company should obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports should include the following content:

I. The policy, systems, or relevant management guidelines, and concrete promotion plans for sustainable development initiatives.

II. Major interested parties and the issues of concern.

III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.

IV. Improvement plans and targets in future.

#### Chapter VI Miscellaneous

Article 30 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve its sustainable development framework and to obtain better results from the implementation of the sustainable development policy.

Article 31 These Principles shall become effective upon approval by the board of directors and reported in the shareholders meeting.

## <Appendix 2>

### Business Report

Dear Shareholders :

The development of a vaccine for COVID-19 brought hope for the global economy in 2021. Even though the threat of variants is still full of risks, countries have gradually adapted to the impact and are attempting to co-exist with the virus, beginning the path of recovery amongst the turmoil. Taiwan announced a nationwide Level 3 epidemic alert due to an outbreak of COVID-19, but it further strengthened the resilience of the healthcare system. In 2021, Taiwan's GDP growth rate was at the highest rate over the past 11 years due to the increase in exports and domestic investments, especially the semiconductor, electronics, and ICT industries, in which many hidden champions play an important role in the global supply chain and allow Taiwan's strength to be recognized by international society.

In an era full of challenges and uncertainties, we believe that stable long-term core values and a clear vision will guide our way in the darkness, and precise strategies and quick and effective execution will stably propel us forward through the waves. E.SUN was founded in 1992 and upholds the core values of "honesty, integrity, professional, and responsible" under the vision of "Taiwan's E.SUN, the World's E.SUN," determined to become the most respected company with the best overall performance. In response to the international trends of regional cooperation and competition, digital technology, and climate change, we are actively exerting the influence of our core business and expanding in Asia, helping customers engage in digital transformation and achieve net zero emissions, in order to jointly work towards sustainable development with society.

### Glorious 30th Anniversary, Turning the Flywheel of E.SUN

It is as the flywheel effect mentioned by Jim Collins in the book Good to Great, E.SUN has continuously consolidated its capabilities and insisted on making the flywheel spin quickly throughout three decades. E.SUN achieved excellent overall performance in 2021. In terms of financial indicators, E.SUN FHC reported a record high net income of NT\$57.9 billion and after tax earnings of NT\$20.6 billion, achieving an annual growth rate of 14.0% with EPS at NT\$1.54, ROA at 0.66%, ROE at 10.95%, and capital adequacy ratio at 123.48%. The after tax earnings of subsidiaries E.SUN Bank, E.SUN Securities, and E.SUN Venture Capital grew by 6.6%, 113.2%, and 53.9%, respectively.

In terms of business indicators, E.SUN FHC's total assets rapidly grew at a compound annual growth rate of higher than 10% over the past decade to NT\$3.2 trillion. As of the end of 2021, total deposits amounted to NT\$2.7 trillion, in which foreign currency deposits were equal to NT\$1.3 trillion and up by 12.9%. The annual net increment of foreign currency deposits exceeded NT\$100 billion for 4 consecutive years. Total loans grew by 9.1% to NT\$1.8 trillion, and asset quality remained at a sound level with an NPL ratio of 0.16% and an NPL coverage ratio of 783.84%. Net fee income grew by 7.5% to NT\$21.3 billion, and reached a record high for 13 consecutive years, in which net fee income from wealth management grew by 7.1% to NT\$9.9 billion, which was also a record high.

In 2021, E.SUN FHC was selected as a constituent stock of the Dow Jones Sustainability Index (DJSI) for 8 consecutive years for excellent performance in ESG management. It was also recognized with the best performance in Taiwan's banking industry by international ESG institutions, including MSCI ESG and FTSE4Good, and won the Best Bank in Taiwan Award from Forbes and The Asset.

#### Taiwan's E.SUN, Asia's E.SUN

As we begin our fourth decade of operation, members of E.SUN come together to jointly plan goals and strategies for the next decade, and will aim to become a regional financial institution in Asia by focusing on business expansion in Asia, technology investment, and ESG development.

E.SUN has established 28 overseas business locations in 9 countries and regions, and overseas branches and subsidiaries collectively accounted for 20% of after tax earnings of E.SUN Bank in 2021. In the future, we will continue to expand service presence in Asia, integrate the service network in Taiwan and overseas, build a team of international experts, and establish a complete financial services platform in Asia to become the first choice of customers.

In the aspect of technology, E.SUN uses technology as an accelerator with information at the core, and assembled a technology team with IT experts, responsible for overall digital development, artificial intelligent(AI) applications, IT development, and information security management. E.SUN is the first bank in Taiwan to establish a core system with microservices and cloud native technology. In the future, we will continue to incorporate AI into our business processes and actively develop digital banking, which will improve our service efficiency and customer experience, and help drive the digital transformation and innovation of society.

In the development of ESG, E.SUN continues to align with international standards and best practices, and is the first financial institution in Taiwan and the second in Asia to pass the review of carbon reduction targets by SBTi. We have already set mid- and long-term goals, including renovating all our buildings in Taiwan into green buildings by 2027, domestic operating locations using 100% renewable energy by 2030, and becoming a bank with net zero carbon emissions by 2050. Aside from our own operations, we also actively engaged with business partners and co-organized ESG initiatives with outstanding companies in Taiwan to take action on climate change. In the future, E.SUN will continue working on alignment with global best practices, creating sustainable value, and exerting influence in key areas, aiming to become customers' best partner in sustainable development.

#### Towards a Sustainable Future of Mutual Prosperity

The motto of the Tokyo Olympics in 2021 was "Faster, Higher, Stronger, Together," which symbolizes that we live in an interdependent world, and from individuals and companies to society and countries, working together will improve the well-being of all. E.SUN insists on its original intentions, and generations of E.SUN employees have passed the torch in bravely pursuing highly challenging goals, climbing the mountains of "overall performance, corporate social responsibility, and sustainable development." We are actively incorporating ESG into our financial services and

operations, and also working together with government, companies, and individuals to expand our influence. We are grateful for the support and feedback provided by all stakeholders to E.SUN over the years. Looking towards the future, we hope to work towards a sustainable future of mutual prosperity through planned, systematic, and disciplined actions. Together we are one!

Chairman



President



## <Appendix 3>

### E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 85,237,301	3	\$ 54,640,670	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4, 7 and 40)	125,370,528	4	121,080,836	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 40)	411,389,536	13	715,809,282	24
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 40 and 43)	333,399,699	10	263,902,860	9
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10, 40 and 43)	308,219,235	10	16,465,798	1
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 11)	-	-	2,300,196	-
RECEIVABLES, NET (Notes 4, 12 and 39)	124,412,124	4	116,686,211	4
CURRENT TAX ASSETS (Notes 4 and 36)	80,677	-	106,412	-
DISCOUNTS AND LOANS, NET (Notes 4, 13, 39 and 40)	1,768,641,241	55	1,620,374,068	55
OTHER FINANCIAL ASSETS, NET (Notes 4 and 14)	9,090,476	-	6,235,133	-
INVESTMENT PROPERTIES, NET (Notes 4 and 15)	1,855,043	-	1,827,047	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 16)	33,881,468	1	33,290,884	1
RIGHT-OF-USE ASSETS, NET (Notes 4 and 17)	6,933,260	-	3,168,210	-
INTANGIBLE ASSETS, NET (Notes 4 and 18)	6,176,279	-	6,167,861	-
DEFERRED TAX ASSETS (Notes 4 and 36)	2,329,213	-	1,842,000	-
OTHER ASSETS, NET (Notes 4, 17, 19 and 29)	13,892,197	-	7,847,214	-
<b>TOTAL</b>	<u>\$ 3,230,908,277</u>	<u>100</u>	<u>\$ 2,971,744,682</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 20)	\$ 83,481,158	3	\$ 54,968,986	2
DUE TO THE CENTRAL BANK AND OTHER BANKS (Note 21)	14,021,010	1	8,044,340	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 26)	61,199,462	2	70,441,442	3
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 9, 10 and 22)	16,648,639	1	11,305,248	1
COMMERCIAL PAPER ISSUED, NET (Note 23)	4,788,871	-	3,257,632	-
PAYABLES (Notes 24 and 39)	32,756,248	1	33,872,856	1
CURRENT TAX LIABILITIES (Notes 4 and 36)	2,122,898	-	830,714	-
DEPOSITS AND REMITTANCES (Notes 25 and 39)	2,695,062,791	83	2,491,467,253	84
BOND PAYABLES (Note 26)	41,370,000	1	39,970,000	1
OTHER BORROWINGS (Note 27)	958,817	-	1,213,342	-
PROVISIONS (Notes 4, 28 and 29)	1,089,345	-	1,159,384	-
OTHER FINANCIAL LIABILITIES (Notes 15 and 30)	66,130,391	2	64,583,767	2
LEASE LIABILITIES (Notes 4 and 17)	3,998,061	-	3,275,399	-
DEFERRED TAX LIABILITIES (Notes 4 and 36)	1,348,359	-	1,422,381	-
OTHER LIABILITIES (Note 31)	11,547,585	-	4,331,361	-
<b>Total liabilities</b>	<u>3,036,523,635</u>	<u>94</u>	<u>2,790,144,105</u>	<u>94</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF ESFHC</b>				
Capital stock				
Common stock	133,546,000	4	125,671,000	4
Capital surplus				
Additional paid-in capital from share issuance in excess of par value	22,279,730	1	21,967,730	1
From treasury stock transactions	3,382,484	-	3,382,484	-
Total capital surplus	25,662,214	1	25,350,214	1
Retained earnings				
Legal reserve	14,784,546	-	13,078,728	-
Special reserve	164,235	-	164,235	-
Unappropriated earnings	21,142,980	1	17,061,205	1
Total retained earnings	36,091,761	1	30,304,168	1
Other equity	(1,074,086)	-	143,010	-
<b>Total equity attributable to owners of ESFHC</b>	<u>194,225,889</u>	<u>6</u>	<u>181,468,392</u>	<u>6</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>158,753</u>	<u>-</u>	<u>132,185</u>	<u>-</u>
<b>Total equity</b>	<u>194,384,642</u>	<u>6</u>	<u>181,600,577</u>	<u>6</u>
<b>TOTAL</b>	<u>\$ 3,230,908,277</u>	<u>100</u>	<u>\$ 2,971,744,682</u>	<u>100</u>

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INTEREST REVENUE (Notes 4, 32 and 39)	\$ 35,482,114	61	\$ 36,089,321	64	(2)
INTEREST EXPENSE (Notes 4, 32 and 39)	<u>(9,497,790)</u>	<u>(16)</u>	<u>(14,750,803)</u>	<u>(26)</u>	(36)
NET INTEREST	<u>25,984,324</u>	<u>45</u>	<u>21,338,518</u>	<u>38</u>	22
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 4, 33 and 39)	21,323,578	37	19,831,103	35	8
Gains on financial assets and liabilities at fair value through profit or loss (Notes 4, 8 and 34)	7,921,241	14	12,327,602	22	(36)
Realized gains on financial assets at fair value through other comprehensive income (Notes 4 and 9)	1,637,885	3	1,928,603	3	(15)
Foreign exchange gains, net (Note 4)	807,018	1	450,867	1	79
Impairment losses on assets (Notes 4 and 15)	(43,029)	-	(16,066)	-	168
Other noninterest gains, net (Note 4)	<u>266,423</u>	<u>-</u>	<u>388,417</u>	<u>1</u>	(31)
Total net revenues and gains other than interest	<u>31,913,116</u>	<u>55</u>	<u>34,910,526</u>	<u>62</u>	(9)
TOTAL NET REVENUES	<u>57,897,440</u>	<u>100</u>	<u>56,249,044</u>	<u>100</u>	3
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES (Notes 4 and 13)	<u>(2,129,603)</u>	<u>(4)</u>	<u>(3,225,752)</u>	<u>(6)</u>	(34)
OPERATING EXPENSES (Notes 4, 15, 16, 17, 18, 29, 35 and 39)					
Employee benefits	(14,730,709)	(26)	(14,216,281)	(25)	4
Depreciation and amortization	(3,592,324)	(6)	(3,442,951)	(6)	4
General and administrative	<u>(13,485,365)</u>	<u>(23)</u>	<u>(14,834,968)</u>	<u>(27)</u>	(9)
Total operating expenses	<u>(31,808,398)</u>	<u>(55)</u>	<u>(32,494,200)</u>	<u>(58)</u>	(2)

(Continued)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INCOME BEFORE INCOME TAX	\$ 23,959,439	41	\$ 20,529,092	36	17
INCOME TAX EXPENSE (Notes 4 and 36)	<u>(3,373,936)</u>	<u>(6)</u>	<u>(2,481,236)</u>	<u>(4)</u>	36
NET INCOME FOR THE YEAR	<u>20,585,503</u>	<u>35</u>	<u>18,047,856</u>	<u>32</u>	14
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 29 and 36):					
Remeasurement of defined benefit plans	268,338	-	(306,696)	(1)	187
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(357)	-	(594,833)	(1)	(100)
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	1,563,137	3	(8,750)	-	17,964
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>20,978</u>	<u>-</u>	<u>10,329</u>	<u>-</u>	103
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>1,852,096</u>	<u>3</u>	<u>(899,950)</u>	<u>(2)</u>	306

(Continued)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss (Notes 4 and 36):					
Exchange differences on the translation of financial statements of foreign operations	\$ (785,553)	(1)	\$ (957,715)	(2)	(18)
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	(2,056,617)	(4)	783,364	2	(363)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>347,567</u>	<u>1</u>	<u>49,333</u>	<u>-</u>	605
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>(2,494,603)</u>	<u>(4)</u>	<u>(125,018)</u>	<u>-</u>	1,895
Other comprehensive loss for the year, net of income tax	<u>(642,507)</u>	<u>(1)</u>	<u>(1,024,968)</u>	<u>(2)</u>	(37)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 19,942,996</u>	<u>34</u>	<u>\$ 17,022,888</u>	<u>30</u>	17
<b>NET INCOME ATTRIBUTABLE TO:</b>					
Owners of ESFHC	\$ 20,558,988	35	\$ 18,026,592	32	14
Non-controlling interests	<u>26,515</u>	<u>-</u>	<u>21,264</u>	<u>-</u>	25
	<u>\$ 20,585,503</u>	<u>35</u>	<u>\$ 18,047,856</u>	<u>32</u>	14
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Owners of ESFHC	\$ 19,916,428	34	\$ 17,001,757	30	17
Non-controlling interests	<u>26,568</u>	<u>-</u>	<u>21,131</u>	<u>-</u>	26
	<u>\$ 19,942,996</u>	<u>34</u>	<u>\$ 17,022,888</u>	<u>30</u>	17

(Continued)



## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 37)					
Basic	<u>\$ 1.54</u>		<u>\$ 1.35</u>		
Diluted	<u>\$ 1.54</u>		<u>\$ 1.35</u>		

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of ESFHC						Other Equity			Total Equity	
	Capital Stock (Note 38)		Capital Surplus (Notes 4 and 38)	Retained Earnings (Notes 4, 9, 36 and 38)			Exchange Differences on the Translation of Financial Statements of Foreign Operations (Note 4)	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4, 9 and 36)	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss (Note 4)		Non-controlling Interests (Notes 4 and 38)
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2020	11,619,500	\$ 116,195,000	\$ 24,965,734	\$ 11,068,215	\$ 164,235	\$ 20,465,306	\$ (1,316,413)	\$ 1,569,189	\$ (53,345)	\$ 123,179	\$ 173,181,100
Appropriation of 2019 earnings											
Legal reserve	-	-	-	2,010,513	-	(2,010,513)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,191,766)	-	-	-	-	(9,191,766)
Stock dividends	926,000	9,260,000	-	-	-	(9,260,000)	-	-	-	-	-
Issuance of common stock from employees' compensation	21,600	216,000	384,480	-	-	-	-	-	-	-	600,480
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	(12,125)	(12,125)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(664,477)	-	664,477	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	2,892	-	-	(2,892)	-	-
Net income for the year ended December 31, 2020	-	-	-	-	-	18,026,592	-	-	-	21,264	18,047,856
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(306,829)	(772,986)	649,813	(594,833)	(133)	(1,024,968)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	17,719,763	(772,986)	649,813	(594,833)	21,131	17,022,888
BALANCE AT DECEMBER 31, 2020	12,567,100	125,671,000	25,350,214	13,078,728	164,235	17,061,205	(2,089,399)	2,883,479	(651,070)	132,185	181,600,577
Appropriation of 2020 earnings											
Legal reserve	-	-	-	1,705,818	-	(1,705,818)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(7,665,931)	-	-	-	-	(7,665,931)
Stock dividends	768,000	7,680,000	-	-	-	(7,680,000)	-	-	-	-	-
Issuance of common stock from employees' compensation	19,500	195,000	312,000	-	-	-	-	-	-	-	507,000
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	306,597	-	(306,597)	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	-	20,558,988	-	-	-	26,515	20,585,503
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	267,939	(632,313)	(277,829)	(357)	53	(642,507)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	20,826,927	(632,313)	(277,829)	(357)	26,568	19,942,996
BALANCE AT DECEMBER 31, 2021	<u>13,354,600</u>	<u>\$ 133,546,000</u>	<u>\$ 25,662,214</u>	<u>\$ 14,784,546</u>	<u>\$ 164,235</u>	<u>\$ 21,142,980</u>	<u>\$ (2,721,712)</u>	<u>\$ 2,299,053</u>	<u>\$ (651,427)</u>	<u>\$ 158,753</u>	<u>\$ 194,384,642</u>

The accompanying notes are an integral part of the consolidated financial statements.

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 23,959,439	\$ 20,529,092
Adjustments for:		
Depreciation expenses	2,866,864	2,787,307
Amortization expenses	725,460	655,644
Expected credit losses/bad-debt expenses	2,140,010	3,175,679
Gains on financial assets and liabilities at fair value through profit or loss	(7,921,241)	(12,327,602)
Interest expense	9,497,790	14,750,803
Interest revenue	(35,482,114)	(36,089,321)
Dividend income	(958,164)	(360,957)
Provision for losses on guarantees	32,837	49,804
Salary expenses on share-based payments	606,146	518,777
Gains on disposal of properties and equipment	(22,065)	(1,526)
Gains on disposal of assets held for sale	-	(173,592)
Gains on disposal of investments	(679,721)	(1,567,646)
Reversal of impairment losses on non-financial assets	-	(630)
Others	(4,137)	9,607
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	2,060,398	(28,705,429)
Financial assets at fair value through profit or loss	302,076,226	(162,981,789)
Financial assets at fair value through other comprehensive income	(74,079,140)	(46,464,409)
Investments in debt instruments at amortized cost	(291,929,995)	(4,076,817)
Receivables	(6,633,334)	(4,257,641)
Discounts and loans	(150,145,033)	(178,340,103)
Other financial assets	(2,860,668)	1,804,409
Other assets	(7,302,919)	(1,368,528)
Deposits from the Central Bank and other banks	28,512,172	(2,934,800)
Financial liabilities at fair value through profit or loss	(3,094,117)	(16,917,798)
Securities sold under repurchase agreements	5,343,391	4,077,009
Payables	(742,513)	6,291,632
Deposits and remittances	203,595,538	408,482,624
Provision for employee benefits	(285,365)	(13,327)
Provisions	-	(820)
Other financial liabilities	4,808,545	25,780,916
Other liabilities	<u>7,209,990</u>	<u>440,254</u>
Cash generated from (used in) operations	11,294,280	(7,229,178)
Interest received	39,658,466	43,819,965
Dividends received	1,080,885	442,630
Interest paid	(10,802,942)	(17,418,901)
Income tax paid	<u>(2,269,695)</u>	<u>(3,840,779)</u>
Net cash generated from operating activities	<u>38,960,994</u>	<u>15,773,737</u>

(Continued)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of assets held for sale	\$ -	\$ 334,178
Payments for properties and equipment	(4,275,085)	(1,963,191)
Proceeds from disposal of properties and equipment	72,524	19,845
Increase in operating deposits	(10,000)	-
Decrease in operating deposits	-	15,000
Increase in settlement fund	(130,169)	(329)
Decrease in settlement fund	114,287	6,199
Increase in refundable deposits	-	(1,591,956)
Decrease in refundable deposits	1,551,495	-
Payments for intangible assets	(403,142)	(381,627)
Payments for right-of-use assets	(1,529,564)	(430)
Increase in other assets	-	(912)
Decrease in other assets	<u>58</u>	<u>-</u>
Net cash used in investing activities	<u>(4,609,596)</u>	<u>(3,563,223)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	-	848,371
Decrease in short-term borrowings	(244,591)	-
Increase in due to the Central Bank and other banks	5,976,670	8,044,340
Increase in commercial paper issued	1,532,000	-
Decrease in commercial paper issued	-	(424,867)
Proceeds from issue of corporate bonds	2,000,000	-
Repayments of corporate bonds	(900,000)	-
Proceeds from issue of bank debentures	1,600,000	7,000,000
Repayments of bank debentures	(1,300,000)	(5,100,000)
Proceeds from long-term borrowings	-	2,851
Increase in guarantee deposits received	-	3,635,359
Decrease in guarantee deposits received	(3,261,921)	-
Repayments of the principal portion of lease liabilities	(1,122,866)	(1,063,280)
Cash dividends paid	(7,665,931)	(9,191,766)
Cash dividends paid to non-controlling interests	<u>-</u>	<u>(12,125)</u>
Net cash generated from (used in) financing activities	<u>(3,386,639)</u>	<u>3,738,883</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>3,681,766</u>	<u>(183,104)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>34,646,525</b>	<b>15,766,293</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>70,065,700</u>	<u>54,299,407</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><u>\$ 104,712,225</u></u>	<u><u>\$ 70,065,700</u></u>

(Continued)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

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	<u>December 31</u>	
	2021	2020
RECONCILIATIONS OF THE AMOUNTS IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2021 AND 2020		
Cash and cash equivalents in the consolidated balance sheets	\$ 85,237,301	\$ 54,640,670
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	19,474,924	13,124,834
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	-	2,300,196
Cash and cash equivalents at the end of the year	<u>\$ 104,712,225</u>	<u>\$ 70,065,700</u>

The accompanying notes are an integral part of the consolidated financial statements

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders  
E.SUN Financial Holding Company, Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of E.SUN Financial Holding Company, Ltd. (ESFHC) and its subsidiaries (collectively, the “Company”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission 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 auditing standards generally accepted in 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 Company 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, 2021. 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 key audit matters of the Company's consolidated financial statements for the year ended December 31, 2021 are described as follows:

#### Assessment of Allowance for Possible Losses on Loans

The Company is engaged principally in providing loans to customers. As of December 31, 2021, the net amount of discounts and loans of the Company represented approximately 55% of total consolidated assets, and is considered material to the consolidated financial statements as a whole. Besides assessing expected credit losses of loans in accordance with IFRS 9 "Financial Instruments", the management of E.SUN Commercial Bank, Ltd. (E.SUN Bank), a subsidiary of ESFHC, complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations (collectively, the Regulations) when assessing classification of credit assets and recognizing allowance for possible losses. For accounting policies and relevant information about loan impairment assessment of E.SUN Bank, please refer to Notes 4, 5 and 13 to the consolidated financial statements.

We determined the assessment of allowance for possible losses on loans to be a key audit matter for the year ended December 31, 2021 because the assessment made by E.SUN Bank to assess the classification of credit assets and recognize allowance for possible losses in accordance with the Regulations involves critical estimates and judgements.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

1. We obtained an understanding of and performed test on the relevant internal controls in respect of E.SUN Bank's loan impairment assessment.
2. We acquired the loan evaluation form used by management of E.SUN Bank and assessed the allowance for possible losses on credit assets; we tested the completeness of the loan assets.
3. We assessed that the loans of E.SUN Bank were classified in accordance with the definition of the Regulations.
4. We calculated the required provision of allowance for possible losses on loans of E.SUN Bank in order to assess whether it complied with the Regulations.

#### **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 Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and IFRS, IAS, IFRIC, and 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 Company'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 Company 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 Company'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 auditing standards generally accepted in 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 auditing standards generally accepted in 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 Company'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 Company'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 Company 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 Company 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, 2021 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 audit resulting in this independent auditors' report are Yin-Chou Chen and Chen-Hsiu Yang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2022

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.*

## Audit Committee Report

To: E.SUN Commercial Bank 2022 General Shareholders' Meeting  
(executed by the Board of Directors)

The board of directors has complied and submitted the bank's 2021 standalone and consolidated financial statements audited by Certified Public Accountants of Deloitte & Touche, business report and statement of distribution of retained earnings to Audit Committee. After reviewing the abovementioned statements and reports and discussing with the CPAs, the Audit Committee has found them to meet the requirements of applicable laws and regulations. This report is hereby prepared in accordance with Article 14-4 of Security and Exchange Act and Article 219 of Company Act and submitted for your approval.

E.SUN Commercial Bank Audit Committee

Independent Director: 

Independent Director: 

Independent Director: 

Independent Director: 

Independent Director: 

Date: April 18 2022

<Appendix 4>

**The Current Version**

**E.SUN FINANCIAL HOLDING COMPANY, LTD.  
ARTICLES OF INCORPORATION**

(If there is any discrepancy between Chinese version and English version of the articles of incorporation of the Company, the Chinese version shall prevail.)

**Chapter 1: GENERAL PROVISIONS**

- Article 1: The Company is incorporated in accordance with the provisions of Company Act, Financial Holding Company Act and other relevant laws and regulations, with the aim to increase its economic scale, achieve operating synergies, and increase competitiveness.
- Article 2: The name of the Company shall be “E.SUN FINANCIAL HOLDING COMPANY, LTD.” (abbreviated to “E.SUN FHC”).
- Article 3: The headquarters of the Company shall be established in Taipei City, and the Company may establish branches in other appropriate locations inside or outside Taiwan as necessary. The establishment, cancellation or alteration of branches shall be subject to resolutions of the board of directors of the Company and the approval from and registration with the competent authorities.
- Article 4: The public announcements of the Company shall be published in a conspicuous place on a daily newspapers commonly circulated in the area where the headquarters of the Company is located, unless otherwise required by laws and regulations, the competent securities authorities, or regulations of the Company.

**CHAPTER 2: SHARES**

- Article 5: The total capital amount of the Company shall be One Hundred and Fifty Billion New Taiwan Dollars (NT\$150,000,000,000), divided into Fifteen Billion (15,000,000,000) shares at a par value of Ten New Taiwan Dollars (NT\$10) per share. The board of directors is authorized to issue such shares in installments.
- Within the total amount of shares given above, the Company may conduct buybacks and issue share subscription warrants and restricted stock for employees, with the Board of Directors authorized to resolve on doing so in installments. The intended recipients shall include employees of affiliate companies who meet certain criteria.
- Article 6: The share certificates of the Company shall be issued in registered form after being signed or sealed by the chairman and three (3) directors, and certified and issued in accordance with laws and regulations of the competent authority.

The Company may issue registered stock without printing share certificates or may print a global share certificate representing the total number of the new shares to be issued in one issuance; however, the shares shall be registered by or placed under the custody of a centralized securities custodian.

Article 7: The shareholders of the Company shall supply a specimen chop to the Company for record. Collection of dividends, bonuses or exercise of shareholders rights in writing shall be based on the said chop impressions.

Article 8: The entries in the shareholders' roster in relation to the transfer of shares of the Company shall not be altered within sixty (60) days before an annual shareholders meeting, thirty (30) days before an extraordinary shareholders meeting, or five (5) days before the record date for distribution of dividends, bonuses or other benefits.

Article 9: Matters relating to shares of the Company shall be performed in accordance with the provisions of the Company Act, directions of the competent authorities, and other relevant laws and regulations.

### CHAPTER 3: SCOPE OF BUSINESS

Article 10: The Company shall engage in: H801011 financial holding company business.

Article 11: The scope of business of the Company shall be as follows:

1. The Company may invest in the following businesses:

- (1) Financial Holding Companies;
- (2) Banking businesses;
- (3) Bills finance businesses;
- (4) Credit card businesses;
- (5) Trust businesses;
- (6) Insurance businesses;
- (7) Securities businesses;
- (8) Futures businesses;
- (9) Venture capital businesses;
- (10) Foreign financial institutions approved for investment by the competent authorities;
- (11) Other businesses approved by the competent authorities as related to the financial industry.

2. Management of the invested business listed in the preceding paragraph.

3. The Company may apply to the competent authorities for investment in businesses other than those described in Paragraph 1 above.

4. Other businesses approved by the competent authorities.

#### CHAPTER 4: SHAREHOLDERS MEETING

Article 12: The shareholders' meetings of the Company include annual meetings and extraordinary meetings:

1. Annual meetings shall be convened by the board of directors within six (6) months after the end of each fiscal year.
2. If necessary, extraordinary meetings are convened according to the Company Act.

Article 13: Where a shareholder intends to appoint a proxy to attend a shareholders' meeting, such shareholder shall execute the proxy form prepared by the Company, specifying the scope of authority granted to the proxy, and sign or seal the proxy form. Proxy forms shall be delivered to the Company five (5) days before a shareholders' meeting. A shareholder may issue only one proxy form and appoint only one proxy. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

Article 14: The shareholders' meetings shall be chaired by the chairman of the Company. Where the chairman is absent or unable to exercise his/her powers for any reason, the chairman shall designate a director to do so on his/her behalf. Whenever the chairman does not make a designation, the directors shall elect a director one (1) from amongst themselves to preside the meeting.

Article 15: Unless otherwise provided by these Articles, or the laws and regulations, each shareholder of the Company shall be entitled to one vote for each share owned.

Juristic persons may have more than one (1) representative, but exercise of voting rights by such representative/s shall be based on the total number of shares held by the juristic person. Where there are more than two (2) representatives, they shall exercise the said voting rights jointly.

Article 16: The shareholders meeting shall have the following powers and duties:

1. Review and amend the articles of incorporation of the Company.

2. Elect directors.
3. Inspect statements prepared by the board of directors and reports prepared by the audit committee.
4. Resolutions for increase or reduction of capital.
5. Resolutions for distribution of profits, dividends and bonuses.
6. Other matters subject to resolutions of the shareholders' meeting according to relevant laws or regulations.

Article 17: Unless otherwise provided by the Company Law, resolutions made by shareholders' meeting shall be adopted if approved by a meeting attended by shareholders representing more than half (1/2) of total issued shares, and approved by more than half (1/2) of the voting rights present.

Where the number of shares represented by the shareholders present is less than half but those present represent one-third (1/3) or more of 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 aforementioned shareholders meeting, if the tentative resolution is again adopted by a majority of those present who represent one-third (1/3) or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the first paragraph.

The tentative resolution referred to in the preceding two paragraphs does not apply to the election of directors, and other matters that require a special resolution according to provisions of the Company Law.

Article 18: Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting, and distributed to all shareholders within twenty (20) days after the meeting in accordance with the Procedural Rules Governing Shareholders' Meetings of the Company.

#### CHAPTER 5: BOARD OF DIRECTORS

Article 19: The Company shall have nine (9) to thirteen (13) directors. A director shall hold office for a term of three (3) years and shall be eligible for reelection. Directors shall be elected by the shareholders meeting from persons with capacity and good morals.

The aggregate number of shares held by the aforementioned board of directors may not be lower than the minimum percentage stipulated in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

Article 19-1: Among the directors of the Company, the independent directors shall not be less than three (3) in number and not be less than one-fifth (1/5) of the total number of directors. The directors of the Company include independent directors and shall be elected with a candidate nomination system by shareholders from among those listed in the slate of director candidates. The professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters for compliance with respect to directors shall be handled in accordance with the rules promulgated by the competent authority.

Article 20: When the number of vacancies in the board of directors of the Company equals to one-third (1/3) of the total number of directors, the board of directors shall convene an extraordinary shareholders meeting within sixty (60) days to elect succeeding directors to fill the vacancies, who shall serve for the remaining part of the prevailing term.

Article 21: The chairman of the board of directors shall be elected from amongst the directors, by a board meeting attended by more than two-thirds (2/3) of directors, and approved by more than half of attending directors.

The chairman of the board of directors shall internally reside the shareholders' meetings and the meetings of the board of directors and externally represent the Company. Where the chairman of the board of directors is absent or unable to exercise his/her powers for any reason, the chairman shall designate a director to do so on his/her behalf. Where the chairman has not made a designation, the directors shall elect one from amongst themselves an acting chairman of the board of directors.

Article 22: The board of directors shall have the following powers and duties:

1. Determination of significant businesses and proposals.
2. Proposal for increase or reduction of capital.
3. Decision in regard with establishment, cancellation or change of domestic or overseas branches.
4. Review of major contracts.
5. Determination of budgets and preparation of final accounts.
6. Decisions for purchase, sale, lease, or disposal of significant real estate.
7. Proposal of profits distribution.
8. Appointment and dismissal of President, Deputy President, Senior Executive Vice President, General Managers and Chief Auditor.
9. Appoint directors and supervisors of subsidiaries.
10. Establishment of functional special committees.
11. Other powers granted by law and resolutions of the shareholders meeting.

Where a matter referred to in subparagraph 6 of the preceding paragraph is a matter



stipulated in Article 185 of the Company Law, such matter shall be subject to special resolution of the shareholders meeting.

Article 23: The meetings of board of directors shall be held at least quarterly, and shall be convened by the chairman of the board of directors unless otherwise provided by Company Act.

In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than seven (7) days prior to the scheduled meeting date. In emergency circumstances, however, the meeting may be convened at any time.

The notice shall be affected by means of mail, deliver in person, fax, telex, telegram, wire, e-mail, or other forms of electronic transmission.

Except for the matters which shall be decided by the board of directors according to laws and regulations, the board of directors of the Company may authorize the chairman of the board of directors to exercise the power and authority of the board of directors during the recess of the board of directors. The authorized matters are as follows:

1. Appoint directors, supervisors, and authorized representatives of subsidiaries(including overseas branches, affiliates or subsidiaries).
2. Adjustment on the Company's organization or revision of charter of the Company.
3. Supervising and managing the trading of financial derivatives of the Company.
4. The applicable record dates for capital increase or capital reduction, cash dividends allocation, and stock subscription or allocation, etc.
5. Other matters authorized by the board of directors.

Article 24: The directors shall attend the meeting of the board of directors in person. Where a director is unable to attend for any reason, he/she may authorize another director to be a proxy, provided that he/she shall issue a proxy form each time and enumerate the scope of authority granted to the proxy.

A director may only serve as proxy for one (1) other director at the same time.

Article 25: Unless otherwise provided by the Company Law, resolutions made by the meeting of board of directors shall be adopted only if approved by a meeting attended by more than half (1/2) of directors, and approved by more than half (1/2) of the directors present.

Article 26: Resolutions adopted in the meeting of the board of directors shall be recorded in the minutes of the meetings, which shall be affixed with the signature or seal of the chairman of the board of directors, and distributed to all directors within twenty (20) days after the meeting.

Minutes of the meeting of board of directors shall record the date and place of the meeting, name of the chairman, and the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting.

Minutes of the meetings of the board of directors shall be kept together with the attendance book bearing the signatures of directors present at the meetings and the proxy forms.

The distribution of minutes of the meetings in first paragraph of this article may be effected by means of electronic transmission.

Article 27: When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify non-director officers from relevant departments to attend the meeting as non-voting participants, and when necessary, the Company may also invite certified public accountants, attorneys, or other professionals to attend the meeting as non-voting participants.

Article 27-1: The Company may purchase liability insurance policies for directors and key employees in accordance with resolutions of the board of directors.

Following the suggestion of the compensation committee, the board of directors is authorized to determine the proportions of remuneration to the chairman and directors, according to their involvement and contribution to the operations of the Company, taking into account the standards of other firms of the same industry.

#### CHAPTER 6: AUDIT COMMITTEE

Article 28: The Company shall establish an audit committee. The audit committee shall be composed of the entire number of independent directors, and shall not be fewer than three (3) persons in number, one (1) of whom shall be convener, and at least one (1) of whom shall have accounting or financial expertise.

Article 29: The audit committee shall have the following authority:

1. Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for acquisition or disposal of assets, and handling derivatives trading transactions.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Annual and semi-annual financial reports.
10. Any other material matter so required by the Company or the competent authorities.

Article 30: The exercise of the powers and duties and other compliance matters of the audit committee shall be handled in accordance with the relevant laws and regulations or the regulations of the Company.

#### CHAPTER 7: MANAGERS

Article 31: The Company shall have a president, deputy presidents, senior executive vice presidents, a general auditor, executive vice presidents and managers, all of whom shall be appointed or discharged by resolution of the meeting of the board of directors according to Company Act, Financial Holding Company Act and related laws and regulations.

Article 32: The president shall handle all operations of the Company in accordance with resolutions of the meeting of the board of directors. The deputy presidents, senior executive vice presidents and the executive vice presidents shall assist the president.

Article 33: Where the president takes a leave or is unable to exercise his/her powers for any reason, the chairman of the board of directors may designate one (1) deputy president or senior executive vice president to exercise the powers of the president on his/her behalf.

#### CHAPTER 8: ACCOUNTING

Article 34: Fiscal year of the Company shall commence from January 1 to December 31 of each year.

Article 35: Upon the end of each fiscal year, the board of directors shall prepare the following accounts and statements, and submit the same to the shareholders at the annual shareholders' meeting for recognition in accordance with relevant laws:

1. Business report;
2. Financial statements;
3. Proposal for distribution of profits or making up of losses.

The aforementioned final accounts shall be submitted to the competent authorities in accordance with provisions of the Company Act, Securities and Exchange Act, Financial Holding Company Act, and other relevant laws and regulations, and be publicly disclosed according to relevant laws and regulations.

Article 36: The earnings of the Company in a given year (pretax profit before distribution of employee and director compensation) shall be reserved to cover the losses accumulated from previous years. 2% to 5% of the balance from the above shall be allocated as employee compensation, while not more than 0.9% shall be allocated as director compensation.

If employee compensation is to be distributed in the form of shares, the Company may either issue new shares or repurchase existing shares.

Recipients of employee compensation shall include employees of affiliate companies who fulfill certain criteria. Proposals of employee and director compensation distribution shall be presented to shareholders' meetings.

Article 36-1: If the final accounting of the Company shows profit, after having paid all taxes and duties, the losses accumulated in the preceding years shall be first covered before the

remaining amount is appropriated as legal reserve and special reserve in accordance with the law. If necessary, a special reserve may also be appropriated. The distribution of remaining profits together with the reversal of special reserve as well as the retained earnings accumulated from previous years shall then be proposed by the board of directors and submitted for resolution at shareholders' meetings.

In order to achieve the goal of sound financial structure and to increase the ratio of self-owned capital, the dividend distribution policy of the Company shall be formulated primarily on the basis of stock dividend. In the event that the BIS ratio of the Company at the time final dividends are proposed to be distributed after compilation of final financial statements is greater than that required by the competent authority, a portion of no less than 10% of total dividends may be distributed as cash dividend. However, in the event the proposed distribution of cash dividend is lower than NT\$0.1 per share, the Company may, at its sole discretion, opt to make such distribution in the form of stock dividends.

The distribution of dividends shall be conducted based on the shareholdings of shareholders as recorded in the shareholders register on the dividend distribution baseline date.

#### CHAPTER 9: MISCELLANEOUS

- Article 37: The organization and procedural rules governing meetings of the board of directors, organizational rules, responsibilities of the board of directors and managers, the departmental responsibilities and other company regulations shall be separately determined.
- Article 38: Any matters not provided for in these Articles shall be governed by Financial Holding Company Act, Company Act and other relevant laws and regulations.
- Article 39: These Articles shall enter into force upon registration with the competent authorities. The same applies to any amendments.
- Article 40: These Articles are established on December 10, 2001.  
The first amendment was made in the shareholders' meeting of June 26, 2002  
The second amendment was made in the shareholders' meeting of June 11, 2004.  
The third amendment was made in the shareholders' meeting of June 10, 2005.  
The fourth amendment was made in the shareholders' meeting of June 9, 2006.  
The fifth amendment was made in the shareholders' meeting of June 13, 2008.  
The sixth amendment was made in the shareholders' meeting of June 22, 2012.  
The seventh amendment was made in the shareholders' meeting of June 21, 2013.  
The eighth amendment was made in the shareholders' meeting of June 20, 2014.  
The ninth amendment was made in the shareholders' meeting of June 8, 2016.  
The tenth amendment was made in the shareholders' meeting of June 16, 2017.  
The eleventh amendment was made in the shareholders' meeting of June 14, 2019.

<Appendix 5>

**E.SUN Financial Holding Co., Ltd. - Asset Acquisition or Disposal Procedures**

**Chapter I General Rules**

Article 1 These Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" published by the Financial Supervisory Commission ("FSC") to facilitate the Company's asset management and implement information disclosure.

Article 2 These Procedures apply to the following asset categories:

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 estate (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 financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of through mergers, divestments, business acquisitions or share exchange.
9. Other key assets.

Article 3 Terms used in these Regulations are defined as follows:

1. Derivatives: Forward contracts, option contracts, futures contracts, leveraged guarantee contracts, or swap contracts whose value is determined by specific interest rates, the prices of financial instruments or products, exchange rates, price or fee rate indices, credit ratings or credit indices, or other variables, or combinations of the foregoing contracts, or composite contracts or structured products with embedded derivatives. As used here, forward contracts do not include insurance contracts, contract performance contracts, after-sales service contracts, long-term rental contracts, or long-term stocking (sales) contracts.
2. Assets acquired or disposed of through mergers, divestments, business acquisitions or

share exchange: Refers to assets acquired or disposed of through mergers, divestments, 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 earliest of, the signing date, payment date, deal date, date of ownership transfer, the board of directors' resolution date or any other dates when the transaction counterparty and the amount can be verified with certainty. ; 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. Investment in the Mainland Area: Refers to investments in the Mainland China area conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area announced by the Investment Commission of the Ministry of Economic Affairs.
7. Professional investment enterprises: Financial holding companies, banks, insurance companies, bills finance companies, trust enterprises, securities dealers engaging in proprietary trading or underwriting services, and futures commission merchants, securities investment trust enterprises, securities investment consulting enterprises, and funds engaging in proprietary trading that have been established in accordance with law and are under the management of the local financial competent authority.
8. Stock exchanges: Domestic stock exchanges refer to the Taiwan Stock Exchange Corporation; foreign stock exchanges refer to all securities markets that have an organization and are managed by the securities competent authority of the country where they are located.
9. Place of business of securities dealers: The place of business of domestic securities dealers refers to the place where a securities dealer has established a counter for the implementation of transactions in accordance with the requirements of the Regulations Governing Trading of Securities on Over-The-Counter Markets; the place of business of foreign securities dealers refers to the place of business of a financial institution under the management of a foreign country's securities competent authority and permitted to

engage in securities business.

## **Chapter II Appraisal and operating procedures**

### **Section 1 Acquisition or Disposal of Assets**

Article 4 In acquiring or disposing of real property, equipment or their right-of-use assets, 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, acquiring or disposing of equipment for business use, or their right-of-use assets, 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. If, for any reason, the company needs to use restrictive, specific or special pricing to serve as reference for the transaction price, then the transaction must be resolved by the board of directors before proceeding. Likewise in the case of any changes to the terms of the transaction are made subsequently.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. If a valuation conducted by a professional appraiser exhibits any of the following, a CPA must be engaged to provide an opinion with regards to the discrepant value and the reasonableness of the transaction price, except in situations where the valued price is higher than the acquisition price or lower than the selling price:
  - (1)The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
  - (2)The discrepancy between the appraisal results of two or more professional appraisers is 10% 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 that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may be issued by the original professional appraiser.

In the event that the appraisal results are obtained from two or more professional appraisers in pursuant to Subparagraph 2 of the preceding paragraph, the different professional appraisers or appraisal officers may not be a related party or substantively related party of each other.

Article 5 In case of acquisition or disposal of securities, the Company shall, prior to the date of

occurrence of the event, obtain the financial statements of the issuing company for the most recent period which have been certified or reviewed by a certified public accountant. Such financial statements shall be used as a reference for appraising the transaction price. If the transaction amount has reached 20% of the company's paid-in capital or NT\$300 million, the Company shall, prior to the date of occurrence of the event, additionally engage a CPA to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to securities with publicly quoted prices from an active market, or if it has been otherwise provided by the regulations of the Financial Supervisory Commission (FSC).

Article 6 If the dollar amount of intangible assets or their right-of-use assets or memberships to be acquired or disposed of by the Company is 20% or more of the Company's 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 provide an opinion regarding the reasonableness of the transaction price.

Article 6-1 The calculation of the transaction amounts referred to in the preceding three articles shall be conducted in accordance with Article 25, paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. The basis for calculation, however, shall not include any transactions for which a professional appraisal report or CPA's opinion has been obtained according to the Procedures.

Article 7 Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be used as a substitute for the appraisal report or CPA opinion.

Article 8 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions must comply with the following regulations:

1. Have not violated this Act, the Company Act, Banking Act, Insurance Act, Financial Holding Company Act, or Business Accounting Act, or committed any instances of fraud, breach of good faith, embezzlement, forgery of documents, or other business-related criminal behavior, and received a confirmed sentence of more than one year of imprisonment. However, this condition shall not apply after three years have passed



following the completion of the sentence, probation, or pardon.

2. Are prohibited related parties or substantively related parties with the parties to the transaction.
3. If the company should obtain appraisal reports from two or more appraisers, and the different estimators or estimation personnel may not be mutually related parties or substantively related parties.

If the foregoing personnel have provided an appraisal report or opinion, they must handle the case according to the self-regulatory rules established by their respective industry associations and the following:

1. Before accepting the case, they must thoroughly assess their own abilities, practical experience, and independence.
2. When executing a case, they must appropriately plan and implement suitable operating procedures, and must form conclusions and submit a report or opinion; all implemented procedures, collected data, and conclusions must be stated in detail in the case working papers.
3. An item-by-item review of the suitability and reasonableness of the data sources, parameters, and information used shall be conducted to provide a basis for the submitted appraisal report or opinion.
4. Stated matters should include the professional qualifications and independence of relevant personnel, a statement that the information used was suitable and reasonable, and a statement of compliance with relevant laws.

## **Section 2 Operating Procedures**

Article 9 When the Company acquires or disposes of asset, unless otherwise regulated by these Procedures, the assessment and operating procedures, decision-making procedures of terms of transactions, unit responsible for implementation, public announcement procedures, investment scope and limit, and other matters that should be handled shall be conducted following the Company's Investment Policy, Property Acquisition or Disposal Operating Guidelines, and the Procedure for Processing Derivative Transactions.

## **Section 3 Total amounts of real property and its right-of-use assets and securities acquired by the company and each subsidiary for business use, and limits on individual securities**

Article 10 The total amounts of real estate and its right-of-use assets and securities acquired by the Company's subsidiary for non-business use, and limits on individual securities, shall follow the Financial Holding Company Act and relevant regulations.

Unless otherwise regulated by relevant laws of the Company's subsidiaries or where the subsidiary is an investment specialist, the real property and its right-of-use assets acquired by the each subsidiary for non-business use may not exceed the net value of the invested real estate and its right-of-use assets. The total amount of securities acquired may not be more than 7 times the net value. The limits on investment in single securities may not be more than 5 times the net value.

Where each subsidiary is an investment specialist, the real property and its right-of-use assets acquired by each subsidiary for non-business use may not be more than two times the net value of the invested real estate; the total amount of securities acquired may not be more than 10 times the net value; and the limits on investment in a single securities may not be more than 5 times the net value.

### **Chapter 3    Related Party Transactions**

- Article 11    When engaged in the acquisition or disposal of assets from or to a related party, the Company shall, in accordance with the regulations stipulated in Section 1, Chapter 2 and in Chapter 3 of these Procedures, completes the relevant resolution procedures and appraisal of the reasonableness of the transaction terms. If the transaction amount reaches 10% of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in accordance with the provisions of the preceding Chapter.
- With regard to the calculation of transaction amount prescribed in the preceding paragraph, the Company shall follow the procedures prescribed in Article 6-1 herein.
- When determining whether the transaction counterparty is a related party, the Company shall take into account not only the legal formalities, but also the substance of the relationship.
- Article 12    When this company acquires or disposes of real estate or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million, except when purchasing domestic government bonds, bonds with repurchase (reverse repurchase) agreements, subscription or buy back of currency market funds issued by domestic securities investment trust enterprises, or otherwise specified by law, this company must submit the following information to the Audit Committee, and obtain its approval, and may sign a transaction contract and make the payment only after the transaction has been approved by a board resolution:

1. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.
2. The reasons for transacting with the particular related party.
3. Where real estate is acquired from a related party, any information that is relevant to establish the reasonableness of transaction terms under Articles 13 and 14.
4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original trading counterparty and the Company/the Company's related parties.
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 funds utilization.
6. Professional value's report or CPA's opinion obtained according to the previous Article.
7. Restrictive covenants and other important stipulations associated with the transaction.

When this company engages in any of the following transactions with a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in the following transactions among themselves, the board may in accordance with Article 9 authorize the chairman to initially approve all such transactions within a certain amount, and subsequently submit the case to the next board meeting for retroactive acknowledgement:

1. Acquisition or disposition of equipment for operating use or its right-of-use assets.
2. Acquisition or disposition of right-of-use assets connected with real estate for operating use.

Where the Company or its subsidiary that is not a domestically listed company engages in any transaction listed in Paragraph 1 and the transaction amount reaches 10 percent of the Company's total assets, the information listed in Paragraph 1 shall be submitted to the shareholders' meeting for approval; only after such information has been approved by the shareholders' meeting may the contract be signed or payment be made. However, this does not apply to the transaction between the Company and its parent or subsidiary, or among subsidiaries.

The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be conducted in accordance with Article 25, Paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have already been approved by the Audit committee and resolved by a shareholders' meeting and the Board of Directors may be excluded from calculation.

Article 13 On acquiring real estate or its right-of-use assets from a related party, the Company shall

adopt the following methods to assess the reasonableness of the transaction costs.

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. If the related party has previously pledged the property as collateral to borrow from a financial institution, then the value estimated by the financial institution should be used as reference, provided that the financial institution lent more than 70% of the property value for more than 1 year. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

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

When acquiring real estate or their right-of-use assets from a related party, the Company shall appraise the cost of the real estate in accordance with paragraph 1 and paragraph 2 above, in the meantime engaging a CPA to review the appraisal and render an opinion.

Under the following circumstances, the Company shall follow the rules specified in Article 12 herein for acquiring real estate or its right-of-use assets from a related party. The provisions in the above three paragraphs shall not apply:

1. The related party has acquired the real estate or its right-of-use assets through inheritance or as a gift.
2. More than 5 years have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets 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. When this company acquires right-of-use assets connected with real estate for operating use from a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in such a transaction among themselves.

Article 14 The Company shall observe the rules prescribed in Article 15 herein if the appraised values arrived at according to paragraphs 1 and 2 of the preceding article are uniformly lower than the transaction price. The rule specified in the first paragraph, however, shall not apply to the following situations if the Company could provide objective evidence, professional appraisal

reports and a CPA's opinion on the reasonableness of the transaction terms:

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) The total appraised value of the undeveloped land and the buildings exceed the actual transaction price, where the undeveloped land has been evaluated in accordance with the methods prescribed in the preceding article and the buildings have been appraised by adding a reasonable construction profit to the construction cost paid by the related party. 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) In cases of completed transaction cases with other non-related parties within the past year involving other floors of the same target real estate or adjacent areas, when the floor area is similar, and the transaction terms are considered similar after assessment on the basis of a reasonable floor or area price differential in accordance with accepted real estate purchase or rental practices.
2. Where the Company has provided evidence that the terms and conditions for purchasing the real estate or acquisition of real estate right-of-use assets by rental from the related party are equivalent to the terms of the transactions concluded in neighboring areas for similarly-sized parcels by other non-related parties within one year.

Completed transactions for neighboring parcels of land in the preceding paragraph in principle refer 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 for similarly-sized parcels", in principle, refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. "Within one year" refers to one year dating back from the date of occurrence of acquiring of the real estate or its right-of-use assets.

Article 15 When the Company acquires real estate or its right-of-use assets from a related party and the appraised values arrived at in accordance with the two previous articles herein is uniformly lower than the transaction price, the following procedures shall be followed:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost for the real estate or its right-of-use assets. These funds may not be distributed or used for capital increase or issuance of bonus shares. For a public company adopting the equity method to account for its investment in another company, the special

reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall also be appropriated on a pro-rata basis according to the percentage of shares held by the investor.

2. The Audit Committee shall follow Paragraph 3, Article 14-4 of the Securities and Exchange Act, mutatis Article 218 of the Company Act.
3. Actions taken pursuant to the two previous 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.

When this company sets aside a special reserve as specified in the foregoing paragraph, the company may use monies from the special reserve only after it has recognized losses due to falling prices on assets that have been purchased or leased for high prices, or disposed of the assets or terminated the lease contract, or taken suitable action to compensate for or restore the assets' status, or taken other actions for which there is evidence confirming no unreasonable aspects, and the Financial Supervisory Commission has granted its consent. The rules specified in the preceding two paragraphs shall also be followed if there is other evidence showing nonconformity with general business practices when the Company acquires real estate or its right-of-use assets from a related party.

## **Chapter 4 Engaging in Derivatives Transactions**

Article 16 The Company shall comply with the regulations of the Company's Procedure for Processing Derivative Transactions when engaging in derivative transactions.

## **Chapter 5 Corporate Mergers, Divestment, Acquisitions and Share Transfer**

Article 17 In handling mergers, spin-offs, acquisitions or share transfers, the Company shall, before convening a board meeting to approve such matter, engage a CPA, attorney or securities underwriter to provide opinions on the reasonableness of the share exchange ratio, acquisition price, the cash or other property to be distributed to shareholders, etc. The proposal shall be submitted to the board of directors for deliberation and passage. However, professional appraisal as mentioned in the preceding paragraph is exempted when the Company directly or indirectly merges with subsidiaries holding 100% of the Company's outstanding shares or capital or when subsidiaries that directly or indirectly hold 100% of the Company's outstanding shares or capital are merged.

Article 18 When participating in a merger, spin-off, acquisition or transfer of shares, the Company

shall prepare a public report to shareholders detailing important contractual content and matters crucial to the merger, spin-off or acquisition prior to the shareholders' meeting and include it along with the expert opinion mentioned in Item 1 when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, spin-off or acquisition. However, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, spin-off or acquisition, this restriction shall not apply.

Where the shareholders' meeting of the Company participating in a merger, spin-off, or acquisition 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 explain publicly the reason, the follow-up measures and the preliminary date of the next shareholders' meeting.

Article 19 Unless otherwise regulated by law or approved in advance by the Financial Supervisory Commission for any special reason, all participants of a merger, divestment or business acquisition must convene board of directors meetings and shareholders' meetings on the same day to resolve any details related to the merger/divestment/business acquisition.

Unless otherwise provided by law or agreed in advance by the FSC for special reasons, the Company participating in share transfer shall convene a board of directors meeting on the same day with the company participating in share transfer.

When engaged in merger, divestment, acquisition or share exchange, the Company shall keep a complete written record including the following information, which shall be retained for five years for review and audit purposes:

1. Basic Personnel Information Including the job title, name and ID number (or passport number in the case of foreign nationals) of all personnel involved in the planning or implementation of the merger, divestment, acquisition, or share exchange prior to public disclosure of the information.
2. Dates of Important Events including the dates of signing a letter of intent/memorandum of understanding, commissioning a financial or legal advisor, signing contracts or holding board of directors meetings.
3. Important Documents and Meeting Minutes Including the plans for merger, divestment, acquisition or share exchange, letter of intent or memorandum of understanding, important contracts and minutes of the board of directors meetings.

When participating in merger, divestment, acquisition, or share exchange, the Company shall, within 2 days from the date of passage of the board resolution, submit to the FSC for recordation the information required in subparagraphs 1 and 2 of the preceding

paragraph. The information shall be compiled according to the specified format and transmitted via the Internet.

If any of the participating companies in the merger, divestment, acquisition, or share exchange is not a listed company or a company having its shares traded on an OTC market, the Company shall sign an agreement with such participating companies, while abiding by the provisions of the previous two paragraphs herein.

Article 20 All of the Company's personnel participating in or privy to the plan for the merger, spin-offs, acquisition, or transfer of shares shall be required to issue an undertaking of confidentiality in writing not to disclose the content of the plan prior to public disclosure of the information. Neither shall they, in their own name or under the name of a third person, trade in any stock and other equity securities of any company related to such plan.

Article 21 Except for the following circumstances, the Company shall not arbitrarily change the share exchange ratio or acquisition price when participating in the merger, divestment, acquisition or share exchange. The Company shall, in the meantime, stipulate in the relevant contracts for the merger, spin-offs, acquisition, or share exchange the conditions where such changes are allowed:

1. Administering capital increase in cash or issuance of convertible corporate bonds, bonus shares, and corporate bonds with warrants, preferred shares with warrants, stock warrants or other equity based securities.
2. Disposal of the Company's major assets or other activities which may influence the financial operations of the Company.
3. Significant events such as major disasters or material technology changes which will influence the shareholders' equity or share price of the Company.
4. Adjustments made by any of the participating companies of the merger, divestment, acquisition or share exchange due to the lawful buyback of treasury stock.
5. Changes in the entities or number of participating companies for the merger, spin-offs, acquisition, or share exchange.
6. Other terms and conditions in which changes are permitted, subject to that they have been stipulated in the relevant contracts and publicly disclosed.

Article 22 When participating in the merger, spin-offs, acquisition, or transfer of shares, the Company shall state clearly in the relevant contracts the rights and obligations of the participating companies and shall clearly specify the following matters:

1. Procedures for handling breach of contract.



2. Principles for handling equity securities previously issued or treasury stock previously bought back by a company which has been divested, or extinguished in the process of a merger.
3. The amount of treasury stock that can be lawfully purchased back by the participating company after the record date for calculating the share exchange ratio and the administrative principles.
4. Methods for handling changes in the entities or number of participating companies.
5. The implementation timetable and expected date of completion for the project.
6. The scheduled date for the shareholders' meeting required by law and the relevant procedures in case of any failure to meet the project deadline.

Article 23 In the event that, after the public disclosure of the information for the merger, spin-off, acquisition or share exchange participated in by the Company, the Company intends to engage another company (companies) in such activities, all the participating companies shall again go through all the procedures and legal actions which have already been completed for the original merger, spin-off, acquisition or share transfer. The Company, however, may be exempted from calling another shareholders' meeting to reapprove the plan, if the number of participating companies has decreased and the Board of Directors of the Company have received approval and authorization from the shareholders' meeting to change the authority.

Article 24 When the company involved in a merger, division, acquisition, or stock transfer case is not a public company, this company shall sign an agreement with that company, and handle the case in accordance with the requirements of Articles 19 and 20 and the previous article.

## **Chapter 6 Disclosure of Information**

Article 25 Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:

1. When acquiring or disposing of real estate or its right-of-use assets from or to a related party, or acquiring or disposing of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million. However, the purchase of domestic government bonds, bonds with repurchase (reverse repurchase) agreements, or the subscription or buy back of currency market funds issued by

domestic securities investment trust enterprises law shall not be subject to this restriction.

2. Mergers, divestments, business acquisitions, or share exchanges.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the provisions herein.
4. Acquisition or disposal of operating equipment or its right-of-use assets with non-related parties that amounts to more than NT\$1 billion.
5. Where land is acquired under an arrangement 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, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT\$500 million.
6. Asset transactions other than the ones specified in the five preceding clauses, disposals of debt entitlement by a financial institution, or investments in Mainland China that amount to 20% of the company's paid-up capital or more than NT\$300 million. This shall not apply to the following circumstances:
  - (1) Trading of domestic government bonds, or a foreign government bond with a sovereign rating not lower than the sovereign rating of the ROC.
  - (2) When purchasing or selling securities on the stock exchange or at a securities dealer's place of business, or subscribing to foreign government bonds, ordinary corporate bonds or ordinary financial bonds (not including junior bonds) issued on the primary market for fund-raising purposes, or subscribing to or buying back securities investment trust enterprise funds or future trust funds, or subscription to or buying back of exchange-traded notes, or when a securities dealer subscribes to securities in accordance with Taipei Exchange regulations due to its underwriting services or because it is the recommended securities dealer assisting an OTC-listed company.
  - (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds that are issued by securities investment trust companies.

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 trading counterparty within the preceding year.

3. The cumulative transaction amount of real estate or its right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) 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 Procedures need not be counted toward the transaction amount.

The Company shall, in accordance with requirements, compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by Company and its subsidiaries that are not publicly-listed companies in Taiwan 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 the regulations to be publicly announced and is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date on which the error or omission is known.

After the Company publicly announces its investment in Mainland China in compliance with Subparagraph 4, Paragraph 1 herein, should the competent authority approves of such investment announcement, the Company shall disclose the date of the original public announcement, the name of the investee company in China, the estimated investment amount, trading counterparty, and the date of approval by the competent authority.

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

Article 26 If the following situations arise after the Company has announced or reported transactions according to the preceding article, the Company shall announce and report such matters within two days on the website specified by the FSC:

1. Change, termination or rescission of a contract signed in regard to the original transaction.
2. Failure to complete the merger, divestment, acquisition, or share exchange within the deadline prescribed in the contract.
3. Change to the originally publicly announced and reported information.

## **Chapter 7 Control procedures for the acquisition and disposal of assets by subsidiaries**

Article 27 Information required be publicly announcing and reporting in accordance with Chapter 6 on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.

Where the Company's subsidiary is not a publicly listed company, the paid-in capital or total assets of the Company shall be the standard when the calculation of the paid-in capital or total assets prescribed in these Procedures are subject to Article 25, paragraph 1 requiring a public announcement and regulatory filing. The subsidiary shall be the standard when calculating the remaining paid-in capital or total assets prescribed in these Procedures.

Article 28 The Company's internal auditors shall no periodically review the self-inspection report pertaining to the acquisition or disposal of assets by the Company and its subsidiaries.

Any employee of the Company who violates these Procedures when handling the acquisition or disposal of assets shall be subject to punishment in accordance with the work rules of the Company and its subsidiaries, in addition to legal responsibilities as required by law.

Article 29 The Company shall oversee that its subsidiaries to formulate and implement asset acquisition or disposal handling procedures in accordance with FSC's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

The Company shall oversee that its subsidiaries inspect whether their asset acquisition or disposal handling procedures comply with relevant regulations, and whether matters relevant to their acquisition, disposal, and asset transaction are conducted following their established handling procedures.

## **Chapter 8 Supplementary provisions**

Article 30 These Procedures shall be approved by the Audit Committee, submitted to the Board of Directors for resolution, and presented to the shareholders' meeting for approval. The same procedures shall apply for future amendments. If any director expresses dissent and it is contained in the minutes or a written statement, the director's dissenting opinion shall be submitted to the Audit Committee.

Article 31 Acquisition or disposal of assets by the Company must be approved by the board of directors according to these Procedures or other regulations. If any director expresses

dissent and it is contained in the minutes or a written statement, the director's dissenting opinion shall be submitted to the Audit Committee.

When the acquisition or disposal of assets is proposed for discussion by the board of directors as prescribed in the preceding paragraph, independent directors' opinions must also be fully taken into consideration. Any objections or qualified opinions made by independent directors must be detailed in board meeting minutes.

Article 32 The acquisition or disposal of assets by the Company shall follow the FSC's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and these Procedures, except where financial laws provide otherwise.

Article 32-1 For the calculation of 10% of total assets under the Procedures, 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 These Procedures were established on March 23, 2003 in the 7th session of the 1st meeting of the board of directors.

The 1st amendment was made on May 15, 2003 in the 8th session of the 1st meeting of the board of directors.

The 2nd amendment was made on February 14, 2007 in the 13th session of the 2nd meeting of the board of directors.

The 3rd amendment was made on March 3, 2008 in the 17th session of the 2nd meeting of the board of directors.

The 4th amendment was made on March 16, 2012 in the 9th session of the 4th meeting of the board of directors.

The 5th amendment was made on February 24, 2014 in the 22nd session of the 4th meeting of the board of directors.

The 6th amendment was made on March 24, 2017 in the 22nd session of the 5th meeting of the board of directors.

The 7th amendment was made on January 18, 2019 in the 13th session of the 6th meeting of the board of directors.

The 8th amendment was made on March 11, 2022 in the 18th session of the 7th meeting of the board of directors.

## <Appendix 6>

### **E.SUN FHC Procedures for Engaging in Derivatives Trading**

Amended at the shareholders' meeting on June 9, 2006

Amended at the shareholders' meeting on June 24, 2010

Amended at the shareholders' meeting on June 8, 2018

Amended at the shareholders' meeting on June 12, 2020

Amended at the shareholders' meeting on June 17, 2022

(If there is any discrepancy between Chinese version and English version of the articles of incorporation of the Company, the Chinese version shall prevail.)

Article 1 To strengthen risk management while engaging in derivatives trading (hereafter “this Business”) and ensure disclosure of pertinent information, these Procedures are adopted pursuant to relevant regulations set by the competent authority.

Article 2 For the purpose of these Procedures, the term “derivatives” refers to 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.

Article 3 The Company shall engage in derivatives trading mainly with a view to hedging.

Article 4 If a hedging transaction is applicable to hedge accounting compatible with IFRSs recognized by the competent authority and the Company's accounting system, there shall be an official designation document with regard to the hedging relationship (consisting only of an eligible hedging instrument and an eligible hedged item) thus established as well as the Company's risk management goals and hedging strategy upon activation of this relationship. The said document shall specify identification of the hedging instrument, the hedged item, and the nature of the risk being hedged as well as ways how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the

sources of hedge ineffectiveness and approach for setting the hedging ratio).

Article 5 The Company shall abide by the principle of “giving priority to security and liquidity, followed by profitability and then by growth potential” while engaging in this Business; it shall also proceed prudently by following the guideline of “policy compliance, market adaptation, research and development, and equal emphasis on quality and quantity.”

Article 6 The Company shall conduct this Business with the following trading counterparties:

1. Member brokerages of financial futures and options exchanges at the world’s international financial centers.
2. Insurance companies, securities houses, or other financial institutions assigned by credit rating agencies long-term credit ratings equivalent to A or higher.
3. The world’s top 500 banks (those ranked among The Banker’s Top 500 Banking Brands by Tier 1 capital or the World’s Top 500 Banks named by American Banker by assets), including their wholly owned subsidiaries that may share the trading quotas allotted to parent companies or other financial institutions.
4. Any other counterparty warranted by business needs and approved by the highest-ranking managerial officer.

Article 7 The tenors of derivatives contracts shall not exceed the following:

1. Forward exchange and foreign exchange swap agreements: not longer than five years.
2. Forward rate agreements: not longer than ten years.
3. Interest rate and asset swaps: not longer than seven years.
4. Cross currency swaps: not longer than ten years.
5. Financial futures: not longer than two years.
6. Financial options:
  - (1) For any option listed on a financial center exchange, the course of life of the underlying asset shall be honored, with the tenor of contract not longer than two years.
  - (2) For any option financial institutions trade with one another, the tenor of a tap and floor contract shall be not longer than ten years while that of other financial options, not longer than five years.
7. Credit derivatives: not longer than five years.
8. To trade any derivative that the expiration date exceeds relevant limits mentioned above, it is imperative to secure approval of the president on a case-by-case basis.

Article 8 The department head charged with this Business may go ahead and approve a derivatives transaction meant for hedging within the following authorized quotas and under the

conditions attached. A summary of the said trading authorization is as follows:

1. The quota authorized for each trading counterparty

Unit: US\$ million

Business Item \ Quota/Category	Trading Quota
1. Forward exchange and foreign exchange swap agreements	20
2. Forward rate agreements	30
3. Interest rate and asset swaps	30
4. Cross currency swaps	30
5. Financial futures	20 (note)
6. Financial options	30 (note)
7. Other derivatives	30

Note: Transactions of financial futures and options made with Financial Center Exchanges shall be excluded from relevant quota calculation.

2. In any hedging transaction, the contractual total of any given derivatives trade shall be capped at the total amount of the underlying asset.
3. Authorized quota shall be determined by using the following formula:  
The authorized quota for any trading counterparty shall be calculated by drawing on the risk weighting chart of the Company; the contractual value or principal is first to be converted into a US dollar equivalent before being multiplied by the risk weighting number corresponding to the duration of the contract.
4. When any of the aforesaid quota is exceeded, it is imperative to secure approval of the president on a case-by-case basis.

Article 9 The department head charged with this Business may, within the scope of his or her authorized quota, delegate this authorized quota in writing among trading managers and related personnel according to their respective positions and abilities as well as the characteristics of the local financial market. A filing, however, shall be made to the Risk Management Committee for record within one week after the date of authorization.

Article 10 The Company's personnel engaging in derivatives trading and those responsible for confirmation and settlement of such transactions shall not act concurrently in each other's



capacity. Their duties shall be distinctly divided. Risk management personnel shall be charged with the evaluation, supervision, and control of related risks and report to senior managerial officers who are not in charge of decision-making with respect to derivatives transactions or positions.

Article 11 While engaging in derivatives trading, the Company shall take into account all possible risks associated with credit, market prices, liquidity, cash flow, operations, and applicable laws.

Article 12 The Company's highest-ranking managerial officer in charged with this Business is the president, who shall supervise and control all the risks associated with derivatives trading at all times and assign the chief risk officer to manage credit, liquidity, operational, and legal risks.

Article 13 The Company shall evaluate derivatives transactions conducted for the purpose of hedging to accommodate business needs at least twice each month and present an evaluation report to the highest-ranking managerial officer thereof. Upon detection of any irregularity in the market price evaluation report, the senior managerial officer responsible for risk management shall report to the Board of Directors and take necessary countermeasures.

Article 14 The Company shall conduct an annual assessment to determine if the risk management measures currently employed are appropriate, whether the Company's derivatives trading performance is consistent with established 5 operational strategy, and whether the risk taken on is within the Company's tolerable range, and it shall present its findings to the Board of Directors.

Article 15 The Company's Auditing Division shall conduct at least a routine audit on the department charged with this Business each year. Special audits and unscheduled follow-up checks and examinations shall also be conducted.

Article 16 The Company's internal audit personnel shall evaluate the suitability of the internal control mechanism for derivatives trading on a regular basis and conduct a monthly audit on the trading department to gauge its compliance with these Procedures, analyze trading cycles, compile an audit report, and, upon detection of any material violation, notify the Audit Committee in writing.

Article 17 The Company's Board of Directors shall faithfully supervise and manage derivatives trading in accordance with the following principles:

1. The highest-ranking managerial officer shall pay continuous attention to monitoring and controlling the risks associated with derivatives trading.
2. Annually evaluate whether the Company's derivatives trading performance is consistent with established operational strategy and whether the risk taken on is within the Company's tolerable range.

Article 18 The Company's highest-ranking managerial officer charged with derivatives trading shall manage derivatives trading in accordance with the following principles:

1. Conduct an annual assessment to determine if the risk management measures currently employed are appropriate and faithfully conducted in accordance with these Procedures.
2. Oversee the status of trading and profits or losses and, in the event of any irregularity, take necessary countermeasures and immediately report to the Board of Directors.

Article 19 As the Company engages in derivatives trading, it shall prepare a log book to truthfully record the following information with respect to every transaction: the type and amount of the traded derivative, date of the Board of Directors extending approval, and items that call for prudent deliberation listed in Article 13, Paragraph 2 of Article 17, and Paragraph 1 of Article 18 of these Procedures.

Article 20 Every month the Company shall disclose the details of derivatives trading it engaged in up to the end of the previous month along with its monthly operational results and file a report thereof.

Article 21 The department charged with this Business shall scrutinize the operations of the Company's trading counterparties and the credit changes of their host countries at all times, and take proper countermeasures when necessary and file a report thereof to the Risk Management Committee for record.

Article 22 In the event that the Company incurs an aggregate loss in all derivatives contracts equivalent to 3.5% of its net worth given on the consolidated financial statements of the most recent quarter, the Company shall, based on the nature at point and using the prescribed format, make a public announcement and disclose related information on websites designated by the Financial Supervisory Commission within two days of the date of occurrence (inclusive). The Company shall announce and report an unrealized loss from

derivatives if such a loss reaches the threshold given in Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

Article 23 Except where these Procedures apply, the Company shall abide by its *Procedures for Handling the Acquisition and Disposal of Assets* while engaging in derivatives trading.

Article 24 While engaging in derivatives trading with counterparties regulated by Article 45 of the *Financial Holding Company Act*, the Company shall abide by its internal operational guideline set specifically for such transactions. Yet, a super majority resolution of the Board of Directors shall be required for engaging in derivatives trading with any subsidiary of the Company.

Article 25 These Procedures shall first secure adoption by the Board of Directors before being presented to the Audit Committee and a shareholders' meeting for approval. In the event of any director raising objection on record or making a written statement, this record or statement shall be presented to the Audit Committee.

Article 26 These Procedures shall be implemented upon adoption by the Board of Directors and approval of a shareholders' meeting.

### **E.SUN FHC Rules for Procedure of Shareholders' Meeting**

(If there is any discrepancy between Chinese version and English version of the articles of incorporation of the Company, the Chinese version shall prevail.)

#### Article 1 (Basis)

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 182-1, paragraph 2 of the Company Act and Article 11 of Corporate Governance Best-Practice Principles for Financial Holding Companies.

#### Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

#### Article 3 (Convening shareholders meetings and shareholders meeting notices)

The Company's shareholders' meetings shall, unless otherwise provided for in applicable laws and regulations, be convened by the Board of Directors. Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The background and details of the notice to convene a Meeting of Shareholders, the proxy form, the proposals to be acknowledged or discussed, and the list of directors to be elected or dismissed, shareholders meeting agenda and supplemental meeting materials shall be prepared in electronic format and sent to the Market Observation Post System not later than 30 days prior to the scheduled meeting date for a general meeting and 15 days for an extraordinary meeting. The agenda and supplemental documents for an upcoming shareholders meeting shall be made readily available to shareholders and displayed at the company not later than 15 days prior to the scheduled meeting date.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

For physical shareholders meetings, to be distributed on-site at the meeting.

For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the

virtual meeting platform.

For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The cause(s) or subject(s) of a shareholders' meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient(s) thereof.

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for ceasing the Company's 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, dissolution, merger, spin-off, or any matters as set forth in Article 185, paragraph 1 hereof shall be itemized in the causes or subjects to be listed in the notice to convene a shareholders' meeting, and shall not be brought up as extemporary motions.

Where the cause(s) of a shareholders meeting already includes a re-election of directors and states the effective date for the appointment, the effective date cannot be changed by extemporary motion or any other means in the same meeting after the re-election is completed.

#### Article 4 (Shareholders' right of proposal)

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the board of directors may include a proposal in the agenda if the proposal urges this Corporation to contribute to public interest or fulfill its corporate social responsibility. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, Written acceptance and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 5 (Proxy attendance at the shareholders meeting and authorization)

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 6 (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 7 (Preparation of shareholders' meeting agenda handbook and attendance book, etc.)

This Corporation shall state the time and venue of registration and other important information for shareholders, solicitors and proxies (collectively "shareholders") in a notice of shareholders meeting.

The time of registration in the preceding paragraph shall start at least thirty minutes prior to the meeting. The venue of registration shall be clearly indicated and sufficiently staffed. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

This corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The attendance book, sign-in cards, and proxy attendance letters of authorization must be preserved for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such documents shall be preserved until the conclusion of the suit.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 7-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, this Corporation shall include the follow

particulars in the shareholders meeting notice:

How shareholders attend the virtual meeting and exercise their rights.

Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

#### Article 8 (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.



If the powers of the chairperson is exercised by a managing director or director in the preceding paragraph, the managing director or director should be one who has been in office for six months or longer and be familiar with this Corporation's finance and business activities. The same requirement shall also apply if the chairperson is a representative of an institutional director.

The Chairperson shall preside in person at the board meeting convening the shareholders meeting, and at least one-half of the directors on the board and at least one person from each functional committee must be in attendance; the state of attendance shall be recorded in the shareholders meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 9 (Documentation of a shareholders meeting by audio or video)

The company, starting at the time of registration, shall make a video or audio recording of the entire shareholders meeting in a continuous uninterrupted manner and including the registration process, the meeting, and the voting process.

The aforesaid recordings shall preserve for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such recordings shall be preserved until the conclusion of the suit.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 10 (Calculation of the number of shares in attendance at the shareholders meeting and holding of the meeting)

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed, and the shares checked in on the virtual meeting platform in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and the number of shares having no voting right and the number of shares in attendance shall be announced at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 7.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 11 (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Related proposals (including extemporaneous motions and amendments of existing proposals) shall be voted on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and allocate sufficient time for voting.

#### Article 12 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Each shareholders speaking concerning a proposal may speak only once concerning a reporting matter, and each instance of speaking may not exceed 5 min. In the case of other proposals (including motions from the floor), shareholders may not speak more than twice without the chair's consent, and each instance may not exceed 5 min. However, the chair may terminate a shareholder's speaking if the shareholder violates regulations or speaks concerning issues outside the scope of the proposal topic.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the

chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

#### Article 13 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 14 (Voting on proposals, supervision of voting, and ballot counting method)

A shareholder shall be entitled to one vote for each share held; this requirement shall not apply to those who are restricted by law from voting or have no voting rights.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require a majority of the voting rights represented by the attending shareholders to be in favor. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. The

shareholders will vote on the proposals on a case-by-case basis. The results, including the numbers of votes in favor, against, and forfeited, will be entered into the Market Observation Post System after the shareholders meeting.

When there are no objections after the chair has asked the shareholders in attendance whether they have any objections to a proposal, the proposal shall be deemed to have passed, and the effectiveness of this method shall be equivalent to that of voting; if there are any objections, however, voting shall be performed as specified in the previous paragraph.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. For voting at a shareholders meeting or an election, vote counting shall be conducted in public at the place of the shareholders meeting. The results of the voting, including the percentages, shall be announced on-site after all the votes are counted at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 7 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14-1 (Electronic voting)

When this company holds a shareholders meeting, it shall include electronic means as a possible channel for the exercise of voting rights, and this method shall be stated in the shareholders meeting notification. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by electronic means, in the event the shareholder intends to attend the shareholders meeting in person or attend the meeting online, that shareholder should be able to use the same method as used to exercise his or her voting rights to express his or her wish to retract the exercise of voting rights in the previous paragraph before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by electronic means shall prevail.

When a shareholder has exercised voting rights by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

#### Article 15 (Election of directors and supervisors)

When a shareholders meeting elects directors, the election shall be held in accordance with this company's "director election regulations," and the election results shall be announced on the spot, the spot, including the list of directors elected and non-elected, and the percentages of votes received by elected and non-elected directors.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 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 16 (meeting minutes)

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The meeting minutes in the preceding paragraph may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the paragraph 1 by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the percentages). In an election of directors, the percentage of winning votes for each candidate shall be disclosed, and shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

#### Article 17 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, the number of shares represented by shareholders attending the meeting by correspondence or electronic means and shall make an express disclosure of the same at the place of the shareholders meeting.

In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting

starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 18 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 19 (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.



A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 20 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 21 (Location of the chair and secretary of virtual-only shareholders meeting)

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 22 (Handling of disconnection)

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or

resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

#### Article 23 (Handling of digital divide)

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

#### Article 24

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 25

These Rules were formulated on December 10, 2001.

Amended for the first time at the shareholders' meeting on June 28, 2011.

Amended for the second time at the shareholders' meeting on June 22, 2012.

Amended for the third time at the shareholders' meeting on June 12, 2015

Amended for the fourth time at the shareholders' meeting on June 14, 2019.

Amended for the fifth time at the shareholders' meeting on June 12, 2020.

Amended for the sixth time at the shareholders' meeting on June 11, 2021.

Amended for the seventh time at the shareholders' meeting on June 17, 2022

**E.SUN FHC Rules for Procedure of Shareholders' Meeting**

(If there is any discrepancy between Chinese version and English version of the articles of incorporation of the Company, the Chinese version shall prevail.)

**Article 1 (Basis)**

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 182-1, paragraph 2 of the Company Act and Article 11 of Corporate Governance Best-Practice Principles for Financial Holding Companies.

**Article 2** The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

**Article 3 (Convening shareholders meetings and shareholders meeting notices)**

The Company's shareholders' meetings shall, unless otherwise provided for in applicable laws and regulations, be convened by the Board of Directors.

The background and details of the notice to convene a General Meeting of Shareholders, the proxy form, the proposals to be acknowledged or discussed, and the list of directors to be elected or dismissed shall be prepared in electronic format and sent to the Market Observation Post System not later than 30 days prior to the scheduled meeting date for a general meeting and 15 days for an extraordinary meeting. The agenda and supplemental documents shall be prepared in electronic format and sent to the Market Observation Post System not later than 21 days prior to the scheduled meeting date for a general meeting and 15 days for an extraordinary meeting. The agenda and supplemental documents for an upcoming shareholders meeting shall be made readily available to shareholders and displayed at the company not later than 15 days prior to the scheduled meeting date. The same agenda and supplemental documents shall also be distributed at the venue during the shareholders meeting.

The cause(s) or subject(s) of a shareholders' meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient(s) thereof.

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for ceasing the Company's 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, dissolution, merger, spin-off, or any matters as set forth in Article 185, paragraph 1 hereof shall be itemized in the causes or subjects to be listed in the notice to convene a shareholders' meeting, and shall not be brought up as extemporary motions.

Where the cause(s) of a shareholders meeting already includes a re-election of directors and states the effective date for the appointment, the effective date cannot be changed by extemporary motion or any other means in the same meeting after the re-election is completed.

#### Article 4 (Shareholders' right of proposal)

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the board of directors may include a proposal in the agenda if the proposal urges this Corporation to contribute to public interest or fulfill its corporate social responsibility. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, Written acceptance and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article.

At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 5 (Proxy attendance at the shareholders meeting and authorization)

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 6 (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 7 (Preparation of shareholders' meeting agenda handbook and attendance book, etc.)

This Corporation shall state the time and venue of registration and other important information for shareholders in a notice of shareholders meeting.

The time of registration in the preceding paragraph shall start at least thirty minutes prior to the meeting. The venue of registration shall be clearly indicated and sufficiently staffed.

This Corporation shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The attendance book, sign-in cards, and proxy attendance letters of authorization must be preserved for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such documents shall be preserved until the conclusion of the suit.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### Article 8 (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

If the powers of the chairperson is exercised by a managing director or director in the preceding paragraph, the managing director or director should be one who has been in office for six months or longer and be familiar with this Corporation's finance and business activities. The same requirement shall also apply if the chairperson is a representative of an institutional director.

The Chairperson shall preside in person at the board meeting convening the shareholders meeting, and at least one-half of the directors on the board and at least one person from each functional committee must be in attendance; the state of attendance shall be recorded in the shareholders meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### Article 9 (Documentation of a shareholders meeting by audio or video)

The company, starting at the time of registration, shall make a video or audio recording of the entire shareholders meeting in a continuous uninterrupted manner and including the registration process, the meeting, and the voting process.

The aforesaid recordings shall preserve for at least one year. However, when shareholders initiate a suit in accordance with Article 189 of the Company Act, such recordings shall be preserved until the conclusion of the suit.

#### Article 10 (Calculation of the number of shares in attendance at the shareholders meeting and holding of the meeting)

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and the number of shares having no voting right and the number of shares in attendance shall be announced at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.



If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 11 (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Related proposals (including extemporary motions and amendments of existing proposals) shall be voted on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and allocate sufficient time for voting.

## Article 12 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Each shareholders speaking concerning a proposal may speak only once concerning a reporting matter, and each instance of speaking may not exceed 5 min. In the case of other proposals (including motions from the floor), shareholders may not speak more than twice without the chair's consent, and each instance may not exceed 5 min. However, the chair may terminate a shareholder's speaking if the shareholder violates regulations or speaks concerning issues outside the scope of the proposal topic.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

## Article 13 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 14 (Voting on proposals, supervision of voting, and ballot counting method)

A shareholder shall be entitled to one vote for each share held; this requirement shall not apply to those who are restricted by law from voting or have no voting rights.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require a majority of the voting rights represented by the attending shareholders to be in favor. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. The shareholders will vote on the proposals on a case-by-case basis. The results, including the numbers of votes in favor, against, and forfeited, will be entered into the Market Observation Post System after the shareholders meeting.

When there are no objections after the chair has asked the shareholders in attendance whether they have any objections to a proposal, the proposal shall be deemed to have passed, and the effectiveness of this method shall be equivalent to that of voting; if there are any objections, however, voting shall be performed as specified in the previous paragraph.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

For voting at a shareholders meeting or an election, vote counting shall be conducted in public at the place of the shareholders meeting. The results of the voting, including the percentages, shall be announced on-site after all the votes are counted at the meeting, and a record made of the vote.

#### Article 14-1 (Electronic voting)

When this company holds a shareholders meeting, it shall include electronic means as a possible channel for the exercise of voting rights, and this method shall be stated in the shareholders meeting notification. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, that shareholder should be able to use the same method as used to exercise his or her voting rights to express his or her wish to retract the exercise of voting rights in the previous paragraph before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by electronic means shall prevail.

When a shareholder has exercised voting rights by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

#### Article 15 (Election of directors and supervisors)

When a shareholders meeting elects directors, the election shall be held in accordance with this company's "director election regulations," and the election results shall be announced on the spot, including the list of directors elected and non-elected, and the percentages of winning votes of elected and non-elected directors.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 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 16 (meeting minutes)

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The meeting minutes in the preceding paragraph may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the paragraph 1 by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the percentages). In an election of directors, the percentage of winning votes for each candidate shall be disclosed, and shall be retained for the duration of the existence of this Corporation.

#### Article 17 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 18 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 19 (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 20 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 21 These Rules were formulated on December 10, 2001.

Amended for the first time at the shareholders' meeting on June 28, 2011.

Amended for the second time at the shareholders' meeting on June 22, 2012.

Amended for the third time at the shareholders' meeting on June 12, 2015

Amended for the fourth time at the shareholders' meeting on June 14, 2019.

Amended for the fifth time at the shareholders' meeting on June 12, 2020.

Amended for the sixth time at the shareholders' meeting on June 11, 2021

<Appendix 8>

**E.SUN Financial Holding Co., Ltd.**  
**Shareholdings of members of the 7th Board of Directors**

Title	Name	Number of shares held
Chairman	Representative of E.SUN Volunteer & Social welfare Foundation Yung-Jen Huang	42,043,957
Director	Representative of E.SUN Culture and Education Foundation Joseph N.C. Huang	21,543,726
Director	Representative of Hsin Tung Yang Co., Ltd. Jackson Mai	73,874,077
Director	Representative of Fu-Yuan Investment Co.,Ltd. Ron-Chu Chen	53,933,580
Director	Representative of Shang Li Car Co.,Ltd. Chien-Li Wu	60,996,000
Director	Magi Chen	2,494,777
Director	Mao-Chin Chen	1,981,251
Independent director	Ryh-Yan Chang	0
Independent director	Chun-Yao Huang	0
Independent director	Ying-Hsin Tsai	0
Independent director	Hung-Chang Chiu	0
Independent director	Ruey-Lin Hsiao	0
The minimum legal number of shares that all directors should hold		160,000,000
Number of shares held by all directors		256,867,368

- Notes :
- 1.This report is made in accordance with Securities and Exchange Act Article 26 and Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies Article 3.
  - 2.The shareholdings of above (including shares that retain the power to decide the allocation of the trust fund) are shares held by individual and all directors recorded on shareholder roster as of the book closure date (2022/4/19).
  - 3.The shareholdings of all directors of the Company are compliant with the standards set by the Securities and Futures Bureau for the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” .