

E.SUN FHC Organizational Regulations of the Remuneration Committee

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Amended on 2020.03.12 during the 20th Meeting of the Sixth Term of Board of Directors

Article 1 (Basis for Formulation of these Organizational Regulations)

To enhance a sound governance for the company and its subsidiaries, the company has established these Organizational Regulations of the Remuneration Committee to ensure compliance in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter(hereinafter referred to as the Regulations) and Article 35 of the Corporate Governance Best Practice Principles for Financial Holding Companies.

Article 2 (Composition, No. of Committee Members and Term of Office)

The Committee members are appointed by the Board of Directors, and there should be no less than three members, with at least one being an independent director, who shall be the convener and meeting chairperson.

The Committee members shall serve the same term of office as does the Board of Directors. If the size of the Committee is reduced below three due to the dismissal of the Committee members for some reasons, the Board of Directors shall convene a meeting and appoint additional Committee members within three months since the date of occurrence of fact.

The company shall announce any appointment or change of the Committee members within two days since the date of occurrence of fact by filing a report through the information reporting website designated by the authority.

Article 3 (Qualifications of the Committee Members)

The Committee members shall possess the professional qualifications set out in Article 5 of the Regulations and comply with the independence rule stated in Article 6 of the Regulations.

The Committee members shall not get involved in any of the conditions stated in Article 30 of the Company Act.

Article 4 (Authority)

The Committee members must exercise the care of a prudent manager to fulfill the following duties, and offer suggestions for discussion by the Board of Directors to which the Committee belongs:

- I. Stipulate and regularly review the policies, systems, standards and structure for performance evaluation and remuneration of directors and managers of the Company and Presidents of the subsidiaries other than the Bank (hereinafter referred to as senior managers of the subsidiaries).
- II. Assess and establish the remuneration of the directors and managers of the company and the senior managers of the subsidiaries on a regular basis.

The Committee shall abide by the following principles when fulfilling the authorities provided by the preceding paragraph:

- I. Ensure the Company's remuneration is arranged in accordance with the relevant laws and is sufficient to attract outstanding talents.
- II. The performance and remuneration assessments for the directors and managers of the company and the senior managers of the subsidiaries shall reference general industry standards, and shall also consider the rational correlation between the individual performances, the company's operating performances, and future risks.
- III. The directors and managers of the company, and the senior managers of the subsidiaries shall not be guided towards engaging in conducts that exceed the company's risk appetite in order to pursue remuneration.
- IV. Short-term performance rewards and remuneration to the directors and managers of the company and the senior managers of the subsidiaries, and the timing of payment of variable remuneration, shall be set in reference to the particular industry characteristics and the company's business nature.
- V. The determination of the remuneration of directors and senior managers shall take into consideration the reasonableness, and is advisable not to show a major disparity from the Company's financial performance. In the event that the Company suffers a major decline in profit or long-term loss, the remuneration thereof is not suitable to be higher than that of the previous year.

The term "remuneration" mentioned in the preceding two paragraphs shall contain cash compensations, warrants, employee stock bonus, retirement benefits, severance pay, allowances and any incentives of substantive value. This definition should be consistent with the scope of directors' and managers' remuneration stated in the Regulations Governing Information to be published in Annual Reports of Public Companies.

The term "subsidiaries" mentioned in these Organizational Regulations refers to the companies in which the company directly holds 100% of the voting shares.

Article 5 (Assembly)

This Committee shall convene meetings at least twice a year, and shall hold meetings whenever deemed necessary. The Committee members shall attend meetings in person or participate in meetings by means of video conferencing.

The Committee may request the company's directors, managers of relevant departments, internal audit personnel, certified public accountants, legal counsels, or other personnel to provide pertinent and necessary information, and to participate in the meeting as non-voting participants when needed. The following proposals may require the chairman and general manager of the company and its subsidiaries to attend the meeting for explanation:

1. Proposal related to directors' remuneration;
2. The year-end bonus, salary adjustment, employee compensation and long-term incentive and reward distribution of the senior managers of the company and its subsidiaries.

The persons present in the preceding paragraph shall leave the meeting during discussion and voting.

When a meeting of the Committee is convened, relevant information shall be provided to the Committee members for reference as needed.

Article 6 (Convener)

If the convener is on leave or is unable to convene a meeting for some reasons, the convener shall designate another independent director on the Committee to act as his/her agent. If the Committee has no other independent directors, the convener shall designate another member of the Committee to act as his/her agent. If the convener has failed to designate an agent, the remaining members of the Committee shall appoint one amongst themselves.

A notice of reasons for convening a Committee meeting shall be distributed to all members of the Committee at least seven days before the meeting. In emergency circumstances, however, meetings may be convened at any time.

The notice as stated in the preceding paragraph may be conducted by electronic means.

The convener shall determine the proceedings of the Committee's meeting agenda; other Committee members may also propose agenda items for discussion during

the meeting. Details of the meeting proceedings shall be provided to Committee members prior to the meeting.

Article 7 (Attendance)

When a meeting of the Committee is convened, the company shall provide an attendance sign-in book for attendees to sign-in as they attend the meeting, and the attendance record shall be kept for reference.

Members of the Committee shall attend meetings in person. If a member is unable to attend in person, he or she may designate another member as his or her agent. Directors who participate in meetings via video conferencing shall be deemed to have personally attended the meeting.

When a member of this Committee designates another member to attend a Committee meeting as an agent, the Committee member shall issue a power of attorney that lists the scope of the agent's authority with regard to the reasons for convening the meeting.

A Committee member may only act as agent, as mentioned in Paragraph 2, on behalf of one Committee member at a time.

Article 8 (Recusal)

A committee member shall be recused if the agenda contains matters involving the member's interests which may harm the company's interests.

Regarding the discussion on remuneration of its members, the committee shall have the following statement at the meeting: if there is a concern that the company's interests may be harmed, the relevant member shall be recused from participating in discussion and voting, and is not allowed to represent other members to execute voting right.

Article 9 (Resolutions, Meeting Minutes and Reports)

Unless otherwise regulated by laws and regulations, the company's Articles of Incorporation or other rules, a resolution of the Committee requires a consent by at least one-half of all Committee members. An agenda item is considered passed if the chairperson does not receive any objections from members in attendance. This voting method has the same effect as the conventional ballot method. The results of each vote shall be announced on the spot and recorded in the meeting minutes.

The resolutions reached by the Committee meeting shall be entered into the meeting minutes, including the following items:

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

- III. Status of attendance by the members, including the number and names of those who have attended, asked for leave, or were absent.
- IV. The names and titles of the non-voting participants.
- V. The name of the minute's taker.
- VI. Reported items:
- VII. Discussions: resolution methods and results of each motion, name and remuneration of members whose personal remuneration related to the regulation in Article 8, as well as status of recusal and objection or reserved opinions expressed by other members.
- VIII. Extempore motions: name of proposers, resolution methods and results of each motion, summary of speeches of members, experts, and other participants, name and remuneration of members whose personal remuneration related to the regulation in Article 8, as well as status of recusal and objection or reserved opinions expressed by other members.
- IX. Other matters that shall be recorded.

Meeting minutes shall be signed off or sealed by the meeting chairperson and minutes taker, and shall be distributed to all Committee members within 20 days from the date of the meeting, and reported to the Board meetings. Meeting minutes shall be permanently preserved during the existence of the company.

The Committee shall give full consideration to independent directors' opinions while making resolutions. Objections or reserved opinions expressed by the Committee members and contained in the minutes or a written statement shall be recorded in the meeting minutes.

The preparation and distribution of meeting minutes as prescribed in Paragraph 2 may be made in electronic form.

The Committee member attendance sign-in book shall be regarded as part of the meeting minutes.

Where Committee meetings are held by way of video conferencing, the recorded video and audio shall be treated as part of the meeting minutes.

The Committee shall report the meeting status to the Board of Directors within a reasonable period after the meeting date.

Article 10 (Appointment of Experts)

The Committee may appoint lawyers, certified public accountants, and other professionals to provide audits or counsel to the Committee in performing its

duties, and all costs thus incurred shall be borne by the company.

Article 11 (Implementation)

The convener or other Committee members may be authorized to deal with matters that have been resolved by the Committee and other related tasks to be implemented subsequently. They shall submit written reports to the Committee during the implementation period, and the matter shall be submitted to the next Committee meeting for retrospective acknowledgment or shall be reported thereto if necessary.

Article 12 (Implementation)

These Organizational Regulations shall become effective upon approval by the Board of Directors.