

The Shanghai Commercial & Savings Bank

The Rules Governing the Scope of Powers of Independent Directors

Formulation Secretarial office of Board of Directors

Approved on March 14, 2015

Amended on March 23, 2019

Article 1

To ensure good corporate governance and establish a sound independent director system, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM and the Corporate Governance Best-Practice Principles for Bank Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by the articles of incorporation, matters concerning the duties of independent supervisors of this Bank shall be as set out in these Rules.

Article 3

At least one independent director shall attend board meeting in person; the following matters shall be submitted to the board of directors for resolution and all of the independent directors shall attend such board meeting, and where any independent director is unable to attend such board meeting in person, he/she shall appoint another independent director to attend the meeting in his or her place. When an independent director objects to or expresses reservations about any of the matters, it shall be recorded in the board meeting minutes. If an independent director intends to express an objection or reservations is but unable to attend the board meeting in person, then unless there is a legitimate reason to do otherwise, the independent director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

1. This Bank's business plan.
2. Annual and semi-annual financial reports.
3. Adoption of or amendments to the internal control system of this Bank pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption of or amendments to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others pursuant to Article 36-1 of the Securities and Exchange Act.

5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, risk management, compliance or internal audit officer.
7. The performance evaluation and remuneration standards of managerial officers and business personnel, and the remuneration structure and system of the directors
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation for imperative disaster relief relating to a major natural disaster may be submitted to the following board meeting for retroactive recognition.
9. Matters relating to the director's own interests.
10. Appointment, dismissal or remuneration of an attesting Certified Public Accountant(CPA).
11. Other matters required by law, regulation, or the articles of incorporation to be approved by resolution at a shareholders meeting or a board meeting, or any matter of a material nature as prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, in an amount of NTD100 million or more, or in an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board meeting is convened. Amounts already submitted to and passed by a resolution of board of directors are exempted from inclusion in the calculation towards NTD100 million.

Article 4

This Bank may take out liability insurance for its independent directors.

Article 5

This Bank shall set the remuneration of the independent directors in its articles of incorporation or by a resolution of a shareholders meeting, and may consider providing a reasonable level of remuneration different from that of ordinary directors. This Bank may also, in accordance with procedures prescribed by law, consider providing remuneration for

independent directors in the form of a fixed monthly salary, rather than as distributions from the earnings of the company.

Article 6

All independent directors of this Bank shall pursue continuing education, including attending the relevant training courses as required.

Article 7

Neither this Bank nor other board members may obstruct, refuse, or evade the actions of independent directors in the performance of their duties. As they deem necessary to performing those duties, independent directors may request the board to appoint relevant personnel or to hire professionals for assistance.

Any expenses necessary to the hiring of professionals or the exercise of powers by the independent directors under the preceding paragraph shall be borne by this Bank.

Article 8

The independent directors, audit committees and the following personnel of the Bank will conduct communication at least once a year and make minutes of the meeting, summarizing the content and focus of the communication.

1. Internal chief auditor: The independent directors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.
2. CPA: The independent directors shall communicate and understand with regard to any irregularity or deficiency discovered and disclosed in a timely manner by the CPA during the review, and concrete measures for improvement or prevention suggested by the CPA.

Article 9

This Rules, and any amendments hereto, shall come into in force after adoption by a resolution of the board of directors.