



Implementation of Audit Committee

SCSB's Board of Directors passed the Audit Committee Charter in November 2014 to implement corporate governance. The Audit Committee was established in June 2015 and is formed by all independent directors.

The Audit Committee mainly supervises the fair presentation of the financial statements, the appointment (dismissal) and independence of accountants, the effective implementation of internal controls, the Company's compliance with related laws and rules, and control of the existing or potential risks.

Duties and work focus:

1. Establishment or amendments to the internal control system according to Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of internal control policies.
3. Establishment or amendments to asset acquisition/disposal procedures, derivative trading procedures, procedures on loans to others, endorsement and guarantee procedures, and other procedures of major financial consequences as specified in Article 36-1 of the Securities and Exchange Act.
4. Matters concerning the personal interests of directors.
5. Major asset transactions or derivatives.
6. Raising, issuance, or private placement of equity-type securities.
7. Appointment, dismissal, or compensation of CPAs.
8. Appointment and removal of the financial, accounting, or internal audit officers.
9. Annual financial statements signed or sealed by the Chairman, managerial personnel and accounting officers, and the financial statement for the 2nd quarter subject to the audit and certification of CPAs.
10. Other important matters regulated by SCSB or competent authorities.

The 3rd-term Audit Committee has 3 members and consists of all independent directors of SCSB, in which 1 member has an expertise in accounting.

A total of 6 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

| Title | Name | Attendance in Person (B) | By Proxy | Attendance Rate (%) (B/A) | Remarks |
|-------------------------------|-----------------|-----------------------------|----------|------------------------------|----------|
| Independent Managing Director | CHEN, MU-TSAI | 6 | 0 | 100% | Convener |
| Independent Director | HSIEH, KING-HU | 6 | 0 | 100% | |
| Independent Director | TSENG, KUO-LIEH | 6 | 0 | 100% | |

**Other mentionable items:**

A. When the operations of Audit Committee encounter any of the following circumstances, the meeting date, ordinal number of session, content of proposals, opinions of every Independent Director and SCSB's handling of such opinions shall be recorded (both non-voting attendees and presenters left the meeting before discussions and voting on the proposals):

a. Matters as provided by Article 14-5 of the Securities and Exchange Act:

| Time | Meeting No. | Proposal | Resolution | Remarks |
|-----------|-----------------------------|---|--|---|
| 2022/3/7 | 3rd meeting of 3rd-term | 2021 business report, financial statements, and consolidated financial statements | This item was passed based on the revised version as the chair received no objections from the attending members, and were submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 1st interim meeting on March 11, 2022. |
| 2022/3/21 | 4th meeting of the 3rd-term | Amendment to the Articles of Incorporation and Asset Acquisition or Disposal Procedures, which were submitted to the Shareholders' Meeting this year for discussion | All items were passed based on their revised wording as the chair received no objections from any attending members, were submitted to the Board of Directors for approval, and were reported to the Shareholders' Meeting this year for discussion. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022 and the Shareholders' Meeting on June 17, 2022. |
| | | 2021 earnings distribution proposal and release of directors from non-competition restrictions | All these items were passed as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022 and the Shareholders' Meeting on June 17, 2022. |
| | | Guidelines governing promoting sustainable development | This item was passed based on its revised wording as the chair received no objections from the attending members, was submitted to the Board of Directors for approval, and was reported to the Shareholders' Meeting this year for discussion. | The item has been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022 and the Shareholders' Meeting on June 17, 2022. |
| | | 2021 Status Report on Overall Implementation of Information Security and 2021 Implementation Report on Compliance Risk Management and Supervision | All these items were passed as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| | | 2021 Internal Control Policy Statement and 2021 Statement on the AML/CFT Internal Control System | All these items were passed as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| | | Appointment and remuneration of CPAs for 2022 | This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| | | Establishment of the Policy on Data Sharing among Financial Institutions | This item was passed based on their revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |



| Time | Meeting No. | Proposal | Resolution | Remarks |
|-----------|-------------------------|---|---|---|
| | | Amendments to the Corporate Governance Best Practice Principles, Delegation of Authority and Segregation of Duties, Internal Management Rules for Trust Investment in Offshore Structured Products, Hong Kong Branch Fund Trade Policy, Guidelines Governing Risk Management and Supervisory Framework of Compliance, Guidelines Governing Internal Control System, Guidelines Governing Vietnam Dong Nai Internal Control System, and Regulations for Stakeholder Management | All these items were passed as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| | | Amendment to the Organizational Rules, Group Personal Information Protection Policy, and Guidelines Governing Fund Operation Authorization | All these items were passed based on their revised wording as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| | | Assisted the stakeholder in obtaining a loan and issued a letter of comfort | This item was passed based on their revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| | | Stakeholder credit limit | This item was passed based on their revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| | | Contract signing with system integration contractor and supplier | The chair received no objections from the attending members, please provide supplemental descriptions recommended by independent directors, and submit it to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 4th meeting on March 26, 2022. |
| 2022/4/25 | 5th meeting of 3rd-term | 2022 Q1 financial statements | This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 2nd interim meeting on May 2, 2022. |
| 2022/6/13 | 6th meeting of 3rd-term | 2022 AML/CFT Risk Assessment Report for the insurance agency | This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 5th meeting on June 17, 2022. |
| | | Donation to SCSB Cultural and Educational Foundation | This item was passed based on their revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 5th meeting on June 17, 2022. |



| Time | Meeting No. | Proposal | Resolution | Remarks |
|-----------|-------------------------|--|---|---|
| | | Lease of buildings to stakeholders | This item was passed based on their revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 5th meeting on June 17, 2022. |
| | | Amendment to the industry limit table in Chapter 7 of the Corporate Finance Credit Loan Policy and Relevant Regulations and Things to Note for AML/CFT | All these items were passed as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 5th meeting on June 17, 2022. |
| 2022/8/8 | 7th meeting of 3rd-term | 2022 H1 standalone and consolidated financial statements | Independent director: Unrealized losses should be included in KPI for management. CFC issues should be fully communicated beforehand to avoid the tedious remedy procedures afterwards. This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 6th meeting on August 13, 2022. |
| | | Issuance of ordinary shares for cash capital increase | Independent director: Capital use should fully understand and the rate of return from the capital should be calculated. Independent director: Pay attention to complete capital planning, set clear goals, and take response measures as soon as possible. This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 6th meeting on August 13, 2022. |
| | | Amendment to the Policy and Procedures for Handling Business Solicitation of Insurance Agency, Delegation of Authority and Segregation of Duties, and Guidelines Governing Internal Control System | All these items were passed as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 6th meeting on August 13, 2022. |
| | | Amendment to the Internal Control Policy for Proprietary Trade and Underwriting of Bonds and Securitized Products (including Internal Audit Rules) | This item was passed based on their revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 6th meeting on August 13, 2022. |
| 2022/11/7 | 8th meeting of 3rd-term | 2022 Q3 financial statements have been prepared | This item was passed based on the revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for discussion. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |



| Time | Meeting No. | Proposal | Resolution | Remarks |
|------|-------------|--|---|---|
| | | 2023 operating budget | This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |
| | | Establishment of 2023 strategic plans | This item was passed based on the revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for discussion. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |
| | | Report on the 2023 Internal Audit Plan of SCSB Concurrent Securities Business | This item was passed based on the revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for discussion. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |
| | | Report on 2023 audit plan | This item was passed based on the revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for discussion. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |
| | | Amendments to the Rules of Procedure for Board of Directors Meetings, Corporate Governance Best Practice Principles, Guidelines Governing Financial Derivatives Operations Authorization, Guidelines Governing Singapore Branch Fund Operation Authorization, Guidelines Governing Fund Operation Authorization, Guidelines Governing Supervision and Management of Subsidiaries, Compliance Policy, Guidelines Governing Risk Management and Supervisory Framework of Compliance and Product Suitability Policy for Proprietary Trading of Foreign Bonds in Concurrent Engagement in Securities | All these items were passed as the chair received no objections from any attending members, and were submitted to the Board of Directors for approval. | The items have been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |
| | | Amendments to the Organizational Rules | Independent director: SCSB's strategy should be considered when planning and establishing committees, which should be properly planned in coordination with organizational characteristics. Independent director: 1. The Sustainable Development Committee may discuss future frameworks. 2. Organizational planning should be divided into level 1 units and level 2 units with unified names. This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for approval. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |



| Time | Meeting No. | Proposal | Resolution | Remarks |
|------|-------------|--|---|---|
| | | Stakeholder credit limit | This item was passed based on the revised wording as the chair received no objections from the attending members, and was submitted to the Board of Directors for discussion. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |
| | | Additional budget for the construction of the new head office building | Independent director: Provide information on resolutions of the building reconstruction committee. Independent directors: Percentage or principles negotiated with the contractor should be clearly indicated in writing. Independent director: It is recommended to list the scope and amount or percentage of subsidies. This item was passed as the chair received no objections from the attending members, and was submitted to the Board of Directors for discussion. Pay attention to listing subsidy details. | The item has been submitted to and approved by the 21st Board of Directors in its 7th meeting on November 12, 2022. |

b. In addition to the foregoing, there were other matters which have not been adopted by Audit Committee yet have received agreement by resolution of two-thirds at least of all directors: None.

B. Practice of Independent Directors' avoidance of motions in conflict of interest: None.