

# **The Shanghai Commercial & Savings Bank**

## **The Audit and Sustainable Committee Charter**

【 The name change of the committee and organizational regulations will be implemented after the shareholders' meeting approves the amendment of the company's articles of association. Currently, "Audit Committee" and " Audit Committee Charter" are still used.】

Formulation Secretarial office of Board of Directors

Approved on November 15, 2014

Amended on November 15, 2017

Amended on August 10, 2019

Amended on March 21, 2020

Amended on March 29, 2024

Amended on November 15, 2024

**Article 1** Publicly issued companies should set up an audit committee in accordance with the Securities and Exchange Act. In order to achieve sustainable development goals and strengthen sustainable governance, they must comply with the " Regulations Governing the Exercise of Powers by Audit Committees of Public Companies", " Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies ", " Banking Industry stipulated in the " Guidelines for Bank Corporate Governance ", the " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the Company's " The Corporate Governance Best Practice Principles " stipulate the formulation of the organizational rules.

**Article 2** Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by this Company when the Committee exercises its powers shall be handled in accordance with this Charter, except as otherwise provided in any regulation or the Articles of Association of the Company.

**Article 3** The main function of the Committee is to supervise the following matters:

1. Fair presentation of the financial reports of this Company.
2. The hiring (and dismissal), independence, and performance of certificated public accountants of this Company.
3. The effective implementation of the internal control system of this Company.
4. Compliance with relevant laws and regulations by this Company.
5. Management of the existing or potential risks of this Company.
6. Matters related to the Company's sustainable development.

**Article 4** The Committee shall be composed of the entire number of independent

directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

The independent director members of the Committee shall serve a 3-year term, and may be re-elected to further terms. When the number of the independent director members on the Committee falls below that prescribed in the preceding paragraph or in the Articles of Association of the Company due to an independent director's dismissal for any reason, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse or all of their positions are vacant, a special shareholders meeting shall be called within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

Article 5 Powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors, shall be exercised by the Committee.

The provisions of Article 14-4, paragraph 4 of the Securities and Exchange Act, in regard to the Company Act as concerns the actions of supervisors or their role as representatives of a Company, apply mutatis mutandis to the independent director members of the Committee.

Article 6 The powers of the Committee are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. The offering, issuance, or private placement of equity-type securities.
7. The hiring or dismissal of a certified public accountant, or their compensation.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. Annual and semi-annual financial reports.
10. Review sustainable development policies, strategies and overall goals, including environmental, social and governance.
11. Review the annual sustainability program (plan), goals and implementation plan.
12. Review and check the effectiveness of various sustainable implementations.

13. Review the sustainability report and supervise disclosure of sustainability-related matters.
14. Review other matters related to sustainable development.
15. Perform other matters related to duties as required by the Board of Directors.
16. Other material matters as may be required by this Company or by the competent authority.

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the Board of Directors for a resolution.

Any matter in the paragraph 1, with the exception of subparagraph 9, that has not been approved by one half or more of the entire membership of the Committee may be adopted with the approval of two thirds or more of the entire Board of Directors.

"The entire membership," as used herein, shall be counted as the number of members actually in office at the given time.

The convener of the Committee shall represent the Committee to the public.

#### Article 6-1

The Company has established a "Sustainable Development Committee" under the management department, which is responsible for the formulation and implementation of sustainable development-related matters. Matters such as the members and responsibilities of the Sustainable Development Committee are handled in accordance with the Company's "Regulations on the Establishment of the Sustainability Committee", and working groups may be established based on its business or working needs.

#### Article 7

The Committee shall convene at least once quarterly, and may call a meeting at its discretion whenever necessary.

In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each independent director member at least 7 days in advance. In emergency circumstances, however, the meeting may be called on shorter notice.

The place and time for convening the Committee shall be at the Company's location and during office hours, or at a place and during the time that is easily accessible for the members of the Committee and suitable for convening of the Committee.

A member of the Committee shall be elected as the convener and meeting chairman by and from the entire membership of the Committee. However, if the members of the Committee are unable to elect a convener, the independent director with the largest number of votes will be appointed as the convener.

When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another independent director member on the Committee as acting convener; if the convener does not make such an

appointment, one independent director member of the Committee shall be elected by and from the other independent director members of the Committee to serve as convener. However, if the members of the Committee are unable to elect, the independent director with the largest number of votes will be appointed as the convener.

More than one-half of all independent directors of the Committee may record the proposed matters and reasons in writing and request the convener to convene the Committee. If the convener fails to convene the Committee within fifteen days after the request is made, more than one-half of all independent directors of the Committee may convene the Committee.

The Committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of this Company to attend the meeting as non-voting participants and provide pertinent and necessary information, and they shall leave the meeting when deliberation or voting takes place.

When the Committee calls a meeting, it shall furnish the members of the Committee present at the meeting with relevant materials for reference as necessary.

#### Article 8

When a meeting of the Committee is held, an attendance book shall be made available for signing-in by the independent director members in attendance, and thereafter made available for reference.

Independent director members shall attend meetings of the Committee in person; if an independent director member is unable to attend in person, the independent director member may appoint another independent director member as proxy to attend the meeting. Attendance via telecommunications is deemed as attendance in person.

A member of the Committee that appoints another independent director member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of one half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

The representative related to Articles 213, 214 and 223 of the Company Act shall be selected by the Committee in accordance with the preceding procedures. The Committee may decide to appoint members to represent individually or jointly; if a representative is not selected according to the preceding procedure, all members shall represent jointly.

If for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire Board of Directors. Nevertheless, a written opinion

indicating approval be obtained from each independent director member with respect to the matters under Article 6, paragraph 1, subparagraph 9.

The proxy under paragraph 2 may accept a proxy from one person only.

Article 8-1 If the number of members of the Committee in attendance does not reach one-half of all members of the Committee at the appointed meeting time, the chairman may announce that the meeting of the Committee will be postponed on the same day, and the number of postponements is limited to two times. If the number of members of the Committee in attendance is still insufficient after two postponements, the chairman may reconvene the meeting of the Committee in accordance with the procedures stipulated in Paragraph 2 of Article 7.

Article 8-2 The meeting of the Committee shall proceed in accordance with the meeting agenda scheduled in the meeting notice. However, the meeting agenda may be changed with the consent of one-half or more of all members of the Committee.

The chairman shall not declare a meeting of the Committee adjourned without the consent of one-half or more of all members of the Committee.

During the progress of the meeting of the Committee, if the number of members of the Committee in attendance does not reach one-half of all members of the Committee, upon the proposal of the independent director present, the chairman shall declare the meeting of the Committee temporarily suspended, and the provisions of the preceding article shall apply mutatis mutandis.

During the progress of the meeting of the Committee, if the convener is unable to preside over the meeting of the Committee or the chairman fails to declare the meeting adjourned in accordance with the provisions of Paragraph 2, the provisions of Paragraph 5 of Article 7 shall apply mutatis mutandis to the selection and appointment of the convener's agent.

Article 9 Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chairman.
3. Attendance by the independent director members, including the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: For each proposal, the method of resolution and the result; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; name of the member of the

Committee who is an interested party as referred to in paragraph 1 of Article 11, explanation of the material aspects of the interest the director has, the reason why the director should or should not recuse himself or herself and whether or not the director has rescued; and any objections or reservations expressed.

8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; name of the member of the Committee who is an interested party as referred to in paragraph 1 of Article 11, explanation of the material aspects of the interest the director has, the reason why the director should or should not recuse himself or herself and whether or not the director has rescued; and any objections or reservations expressed.

9. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee and shall be appropriately preserved during the existence of this Company.

The minutes of a Committee meeting shall bear the signature or seal of both the chairman and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Company.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 9-1 Any and all meetings of the Committee shall be audio-recorded or videotaped from beginning to adjournment of the meeting as evidence and the files shall be kept for at least five years. The files may be stored in the electronic form.

If any litigation relating to a resolution of the meeting of the Committee commences before the expiry of the period in which the evidence shall be kept in accordance with the preceding paragraph, the relevant data of audio recorded or videotaped evidence shall continually be kept until the conclusion of the litigation.

For a meeting of the Committee convened via videoconferencing, the audio recorded and videotaped data shall be part of the minutes of the meeting and shall be properly kept during the existence of the Company.

Article 10 The Committee's meeting agenda shall be drafted by the convener. Other members may also put forward proposals for discussion by the Committee.

Article 11 An member of the Committee shall explain the material aspects of the interest he or she has when he or she is an interested party with respect to a given agenda item. When such a relationship is likely to prejudice the interests of this Company, the director shall not attend the discussion and voting and shall

recuse himself or herself therefrom. Also, they shall not exercise the voting right for and on behalf of another member.

Where the spouse or a blood relative within the second degree of kinship of an independent director has interests in the matters under discussion in the meeting of the preceding paragraph, such independent director shall be deemed to have a personal interest in the matter.

If, for the reason stated in the first paragraph, an agenda item cannot be resolved at a meeting of the Committee, it shall be reported to the Board of Directors, which shall resolve on the item.

Article 12      The Committee may resolve to retain the service of an attorney, certified public accountant, or other professionals to provide check and advice with respect to matters in connection with exercising its powers. The costs of their services shall be borne by this Company.

Article 13      The Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the Board of Directors and shall submit their proposals to be resolved by the board.

Article 14      The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article 15      This Charter, and any amendments hereto, shall come into in force after submitted to the Board of Directors and adopted by a resolution of the Board of Directors.  
The name of the Committee shall be changed to "The Audit and Sustainable Committee" and the name of this Charter shall be changed to "The Audit and Sustainable Committee Charter" when it is officially approved by the Board of Directors and the amendment to Article 21 of the Articles of Association of the Company is adopted by the resolution of shareholders' meeting.