

Risk Management Committee

SCSB's Board of Directors established the "Risk Management Committee Charter" in March 2016 to enhance board functions, strengthen risk management mechanism, and become aligned with international risk management trends. The Risk Management Committee was established in July the same year to improve the board's operational efficiency and decision-making ability, and thus effectively lower decision-making risks, improve the quality of internal control, and realize the core value of risk management.

A. Disclosure of Members' composition, professional qualifications, experience and independence information:

The Board of Directors appoints at least three directors to serve on the committee, which must include an independent director. The term of a director serving as a member of the committee, except as otherwise provided by laws and regulations or the SCSB Articles of Incorporation or bylaws, shall extend from the date of the director's selection as Committee member by the Board to the date of expiration of the director's term, the director's resignation from the committee or the directorship, or the director's replacement by another director selected as Committee member by the Board.

Please refer to "Disclosure of Directors' professional qualifications and Independent Directors' independence information" under "Corporate Governance Report."

B. Duties:

With authorization from the Board of Directors, the Committee shall exercise the due care of a good administrator to faithfully perform the following duties, and shall submit its recommendations or reports to the Board of Directors:

- Review the risk management policy.
- Review risk management strategies, including risk appetite and limit.
- Review the appropriateness of various risk management mechanisms and the risk management framework to ensure that there are sufficient resources and systems in place for risk management.
- Review risk management reports periodically submitted by management, including credit risks, interest rate risks, market risks, national risks, operational risks, liquidity risks, capital adequacy management, stress tests for various risks, and risk assessment for derivatives transactions.
- Review risk management policies for new businesses.
- Review risk management related matters required by domestic and overseas competent authorities to be reported to the Board of Directors.
- Perform other matters related to the duties as required by the Board of Directors.

C. Annual Work focus:

- Review risk management reports.
- Review risk management policies for new businesses.
- Review the appropriateness of the Risk Management Policy and strategies established and revised.

D. Operations:

- The 3rd-term Risk Management Committee is formed by 3 directors, in which 2 are independent directors; the convener is also an independent director.
- The 3rd-term Risk Management Committee was appointed from July 5, 2021 to June 15, 2024.
- A total of 4 (A) Risk Management Committee meetings were held in the previous period. The attendance record of the Risk Management Committee members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent Director	TSENG, KUO-LIEH	4	0	100%	Convener
Director	CHIOU, YI-JEN	4	0	100%	
Independent Director	HSIEH, KING-HU	4	0	100%	