

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

Amended on November 14, 2020

Article 1

To ensure good corporate governance and establish a sound independent director system, and to enable independent directors to perform their functions on the board and company operations, 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 directors 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 that includes the Article 6 of Rules of Procedure for Board of Directors Meetings, asset transactions or derivatives trading of a material nature, loans of funds, endorsements, or provision of guarantees of a material nature, matters in which a director is an interested party 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.

Article 4 (deleted)

Article 5

This Bank shall obtain all independent directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

This Bank shall report the insured amount, coverage, premium rate, and other important contents of the independent directors liability insurance it has obtained or renewed for directors, at the most recent board meeting.

Article 6

This Bank shall set the remuneration of the independent directors in the form of a fixed monthly salary, rather than as distributions from the earnings of this Bank.

Article 7

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

Article 8

This Bank may not impede, refuse, or evade the actions of the independent directors in the performance of their duties. As the independent directors deem necessary to the performance of their duties, they may request the board of directors to appoint relevant personnel, or may at their own discretion hire professionals to provide assistance. The related expenses will be borne by this Bank.

Article 8-1

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, 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.