

## 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.

A. The composition of the Audit Committee, professional qualifications, experience, and independence of the member

The Committee is composed of all Independent Directors and shall not be less than three members. One of them shall be the convener, and at least one of them shall have accounting or financial expertise.

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

B. Duties

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

C. Annual work focus

- a. Establishment or amendments to the internal control system according to Article 14-1 of the "Securities and Exchange Act".
- b. Evaluation of the effectiveness of internal control policies.
- c. 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.
- d. Matters concerning the personal interests of directors.
- e. Major asset transactions or derivatives.
- f. Raising, issuance, or private placement of equity-type securities.
- g. Appointment, dismissal, or compensation of CPAs.
- h. Appointment and removal of the financial, accounting, or internal audit officers.
- i. 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.
- j. Other important matters regulated by SCSB or competent authorities.

#### D. Operations

- a. The 3rd-term Audit Committee consisted of 3 members, including all Independent Directors, and 1 member had accounting expertise.
- b. The 3th-term Committee was appointed from July 5, 2021 to July 4, 2024.
- c. A total of 8 (A) Audit Committee meetings were held in 2023. The attendance record of the Audit Committee members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent Managing Director	CHEN, MU-TSAI	8	0	100%	Convener
Independent Director	HSIEH, KING-HU	8	0	100%	
Independent Director	TSENG, KUO-LIEH	8	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":

Meeting No. Date	Proposal and Follow-up Treatment	Resolutions and the Handling of the Committee's Opinions
9th meeting of 3rd-term 2023/2/21	2022 business report, financial statements, and consolidated financial statements	All these items were approved by all attending members and submitted to the Board of Directors for approval.
	Result of the resolution of the board meeting: All directors present passed the items without objection.	
10th meeting of 3rd-term 2023/3/17	Appointment and remuneration of CPAs for 2023	This item was passed based on the revised version by all attending members and submitted to the Board of Directors for approval.
	Result of the resolution of the board meeting: All directors present passed based on the revised version without objection.	
	Lease of buildings to stakeholders	All items were passed based on the revised version by all attending members and submitted to the Board of Directors for approval.
	Adjustment of organizational structure	
	Establishment of Regulations for Communication with Shareholder with Controlling Interest	
	2022 earnings distribution proposal	
	Communication with internal audit officers in 2022	
	Amendment to the Organizational Rules, Corporate Finance Credit Loan Policy and Relevant Regulations and Guidelines Governing Trading Futures Derivatives	
	Expenses for new additions to the new headquarters building	All these items were approved by all attending members and submitted to the Board of Directors for approval.
	Self-evaluation Form to continue offering financial products and services applicable to high net-worth customers	
	Release of directors from non-competition restrictions	

Meeting No. Date	Proposal and Follow-up Treatment	Resolutions and the Handling of the Committee’s Opinions
	Credit loan to stakeholder	
	2022 implementation report on compliance risk 2022 implementation report on information security 2022 internal control system statement 2022 AML/CFT statement 2022 statement on matters afer the period 2022 customer statement	
	Amendment to the Corporate Governance Best Practice Principles, Compliance Policy, Group AML/CFT Policy, AML/CFT Policy, Singapore Branch Treasury Policy, Regulations for Interest Related Party Management, Regulations for Internal Audit Quality Assessment, Guidelines Governing Internal Control of Non-discretionary Money Trust Investments in Domestic and Overseas Funds, Guidelines Governing Internal Control of Non-discretionary Money Trust Investments in Futures Trust Funds, Guidelines Governing Internal Control System for Offering Services to High Net-worth Customers, Guidelines Governing Internal Control of Concurrent Engagement of OBU in Discretionary Investment in Foreign Securities Based on Trust Method, Internal Management Rules for Trust Investment in Offshore Structured Products, Guidelines Governing Internal Management System for Concurrently Operating the Securities Investment Consulting Business, Guidelines Governing for Implementing High-net Worth Customers Service Accountability System, Guidelines Governing Treasury Business Authorization, Guidelines Governing Financial Derivatives Operations Authorization, Guidelines Governing Trading Foreign Currency-denominated Bonds Futures and Options, Guidelines Governing Financial Dealings between Affiliates and Self-regulations on Disclosure of Merger and Acquisition Information	
	Result of the resolution of the board meeting: All directors present passed the items without objection.	
11th meeting of 3rd-term 2023/4/24	2023 Q1 financial statements	All these items were approved by all attending members and submitted to the Board of Directors for approval.
	Credit loan to stakeholder	
	Result of the resolution of the board meeting: All directors present passed the items without objection.	
12th meeting of 3rd-term 2023/6/2	Amendment to the Guidelines Governing Treasury Business Authorization, Guidelines Governing Financial Derivatives Operations Authorization and Guidelines Governing Trade in Foreign Currency Stock Price Index Futures and Options	All these items were approved by all attending members and submitted to the Board of Directors for approval.
	Establishment of Guidelines Governing Interest Derivatives Financial Products	
	2023 insurance agency AML/CFT risk assessment report	
	Investigation reports of complaints	
	Donation to SCSB Cultural and Educational Foundation	
	Result of the resolution of the board meeting: All directors present passed the items without objection.	



Meeting No. Date	Proposal and Follow-up Treatment	Resolutions and the Handling of the Committee’s Opinions
13th meeting of 3rd-term 2023/8/7	Amendment to the Internal Control System for Proprietary Trade and Underwriting of Bonds and Securitized Products, Regulations for OBU Trust Business, Regulations for Interest Related Party Management, AML/CFT Policy, Hong Hong Branch Policy Prevention of Money Laundering and Countering the Financing of Terrorism, Wuxi Branch AML/CFT Policy and Singapore Branch Policy Prevention of Money Laundering and Countering the Financing of Terrorism	All these items were approved by all attending members and submitted to the Board of Directors for approval.
	2023 H1 financial statements	
	Amendment to the Delegation of Authority and Segregation of Duties, Group AML/CFT Policy and Dong Nai Branch Policy Prevention of Money Laundering and Countering the Financing of Terrorism	All items were passed based on the revised version by all attending members and submitted to the Board of Directors for approval.
	Expenses for the new headquarters building	
	Sales of real estate	
	For stakeholder in issuing the Letter of Comfort	
	Result of the resolution of the board meeting: All directors present passed the items without objection.	
14th meeting of 3rd-term 2023/8/11	Appointment of the Chief Auditor	All these items were approved by all attending members and submitted to the Board of Directors for approval.
	Result of the resolution of the board meeting: All directors present passed the items without objection.	
15th meeting of 3rd-term 2023/8/29	No Matters as provided by Article 14-5 of the "Securities and Exchange Act".	
16th meeting of 3rd-term 2023/11/1	2023 Q3 financial statements	All these items were approved by all attending members and submitted to the Board of Directors for approval.
	2024 strategy plans 2024 operating budget 2024 audit plan 2024 internal audit plan of concurrent securities business	
	Group AML/CFT risk assessment report and methodology for the period from 2021 to 2022	
	Pre-approval for non-assurance services	
	Establishment of Regulations for Customers Dealing with Interest Rate Derivatives Financial Products	
	Amendment to the Guidelines Governing Financial Derivatives Operations Authorization, Guidelines Governing Treasury Business Authorization, Regulations for Management of Margin Trades in Derivatives in Financial Institutions, Articles of Incorporation, Internal Management Rules for Trust Investment in Offshore Structured Products and Real Estates Lending Concentration Ratio	
	Credit loan to stakeholder	All items were passed based on the revised version by all attending members and submitted to the Board of Directors for approval.
	Amendment to the Corporate Governance Best Practice Principle	
	Result of the resolution of the board meeting: All directors present passed the items without objection.	



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.