

The Shanghai Commercial and Savings Bank

Regulations Governing Outward Donations

Instituted under strategic planning of the General Administration Division

Instituted on March 12, 2011

Revised on March 16, 2013

Amended on November 15, 2014

- Article I This set of Regulations (The Regulations) is instituted pursuant to Article 16-1 of the “Corporate Governance Best Practice Principles for Banking Industry” for fortifying corporate governance of the Bank and unifying the standard of outward donations from the Bank.
- Article II Outward donations as specified in The Regulations shall include without limitation to donate to government agencies, political parties, schools, charity groups (such as social welfare institutions, charity funds), government funds (such as SME Credit Guarantee Fund, Overseas Credit Guaranteed Fund), corporation aggregates, and the underprivileged groups without compensation in return.
- Article III The Bank may make outward donations in consideration of business development, social charity, and cultivation of external relations, as well as the timing of donation. Donation to unrelated parties shall be made in accordance with the line of gate approval specified below except for the donations to related parties, which shall be reported to the Board:
- I. General Manager: the amount of donation to a particular recipient shall not exceed NT\$1,000,000 in any particular year, and the amount of total donations shall not exceed NT\$3,000,000 in the same year.
 - II. Chairman: the amount of donation to a particular recipient shall not exceed NT\$10,000,000 in any particular year, and the amount of total donations shall not exceed NT\$30,000,000 in the same year.
 - III. Standing Committee of the Board: the amount of donation to a particular recipient shall not exceed NT\$50,000,000 in any particular year, and the amount of total donations shall not exceed NT\$150,000,000 in the same year.
 - IV. Board: significant donations to unrelated parties with the amount of each donation or the accumulated amount of donation to particular unrelated recipient exceeding NT\$50,000,000, or at 1% of the net worth or 5% of the paid-in capital as presented in the audited separate financial

statements of the preceding fiscal year.

Any particular year as referred to in IV shall be based on the day on which the Board held its regular session moving backward for one year in retrospect. The portion of funds being reported to the Board for resolution could be excluded from the calculation.

Donation required for reporting to the Standing Committee of the Board or the Board for resolution shall be approved by the Chairman in the event of donation for charity purpose as relief and aid for major disasters when the Standing Committee of the Board or the Board is in recess, and shall be reported to the nearest session of the Board for recognition.

- Article IV The amount of total donation in a particular fiscal year is subject to the unified control of the Accounting Department limited to 2% of the after tax profit presented in the separate financial statements of the preceding fiscal year. In case of loss in the preceding fiscal year or the donation in the current year has exceeded the upper limit but donation is still necessary, report to the Board on a case by case basis for resolution. This rule is not applicable to the items of social charity donation already budgeted for every year.
- Article V Outward donation of the Bank shall be reported to the General Administration Division or related departments for approval, and referred to the Accounting Department for disbursement. Source documents shall be obtained from relevant recipients for proof of receipt of the donation.
- Article VI Donation to political parties, related parties, and charity organizations by the Bank shall be disclosed to the public under applicable laws.
- Article VII Anything not covered by The Regulations shall be governed by applicable laws of the competent authority and other rules and regulations of the Bank.
- Article VIII The Regulations shall come into force at the approval of the Board. The same procedure is applicable to any amendment thereto.