

Mega Financial Holding Co., Ltd.

Rules for Managing Non-credit Transactions with Stakeholders

Established in the 30th Meeting of the 4th Board of Directors on 2011.08.23
Amended in the 19th Meeting of the 5th Board of Directors on 2013.11.26
Amended in the 41st Meeting of the 6th Board of Directors on 2018.02.27
Amended in the 19th Meeting of the 7th Board of Directors on 2019.12.24
Amended in the 25th Meeting of the 7th Board of Directors on 2020.06.22
Amended in the 29th Meeting of the 7th Board of Directors on 2020.10.27
Amended in the 3rd Meeting of the 8th Board of Directors on 2021.08.24

Article 1 (Purpose)

The Rules were established to ensure that the Company's non-credit transactions with stakeholders are in compliance with Article 45 of the Financial Holding Company Act (hereinafter referred to as the "Act") and applicable laws and regulations, and also to strengthen internal control and reduce operational risks.

Article 2 (Responsible Unit)

The Risk Management Department is the responsible unit of the Rules.

Article 3 (Stakeholders)

Stakeholder in the Rules refers to stakeholders specified in Article 45 of the Act and determined according to Article 206, Paragraph 3 of the Company Act, and also includes substantive related parties.

Related parties with any one of the following conditions, unless proven to not have a controlling relationship or material effect, shall be deemed a substantive related party:

1. Companies or institutions listed as affiliated companies or institutions in information published or printed by the Company.
2. Other companies or institutions in which a relative within the second degree of kinship to the chairperson or president of the Company or its subsidiaries serves as the chairperson or president.
3. A company with close economic or controlling relationship with responsible persons of the Company or its subsidiaries.

The scope of companies with close economic or controlling relationship in Subparagraph 3 of the preceding paragraph is as follows:

1. A company in which a responsible person of the Company or its subsidiaries holds a majority of the outstanding number of voting shares or the total amount of the capital stock.
2. A company in which a responsible person of the Company or its subsidiaries has direct or indirect control over the management of the personnel, financial or business operation.

Article 4 (Applicability)

Besides complying with the Company's related party transaction regulations, the Company shall also manage non-credit transactions with stakeholders according to the Rules.

Article 5 (Key Points of Management)

Key points of management for compliance with Article 45 of the Act and applicable laws and regulations:

1. Ensure that files on stakeholders are correct and up-to-date.
2. Check the transaction counterparty on the Company's "Stakeholder Management System" and retain results before engaging in the transaction.
3. Provide documentation to the authorized person or Board of Directors proving that the transaction does not offer more favorable terms compared to other counterparties.
4. When engaging in a non-credit transaction under the Board of Directors' blanket approval authorization, comply with requirements set forth in the competent authority's "Interpretation of Article 45 of the Financial Holding Company Act" for exemption from reporting each transaction to the Board of Directors.

Article 6 (Filing and Maintenance)

The filing and maintenance process (see Attachment 1 for details) of the Company's "Stakeholder Management System" is as follows:

1. When there are any changes to stakeholders, the Company shall send Article 45 of the Act and applicable laws and regulations to the new stakeholder on the following business day, and ask the stakeholder to fill out a stakeholder information form. The Company will create or update the file containing the stakeholder's basic information within two days after receiving the stakeholder information form. When a stakeholder no longer holds the position, the Company shall delete information on the stakeholder, its affiliated enterprises and family members within two days after the change takes effect.
2. The Company shall verify information on related parties with stakeholders via e-mail each month and in writing with a hard copy every six months, and update stakeholder's information in a timely manner.
3. After adding, modifying, or deleting stakeholders' information, print out the input results and submit it along with the original data to the supervisor for review.

Article 7 (Inquiry)

The Company must comply with the following inquiry requirements (see Attachment 2 for details) when engaging in non-credit transactions:

1. Verify if the transaction counterparty (including securities issuer) is a related party on the

"Stakeholder Management System" before engaging in the transaction, and print out results as an attachment of the final approval.

2. Fill out the "Related Party Transaction Checklist" (see Attachment 3 for details) before engaging in a related party transaction, and attach documentary proof that the transaction does not offer more favorable terms compared to other counterparties on the request for approval or document submitted to the Board of Directors.
3. Periodically prepare management reports on transactions between the Company and related parties.

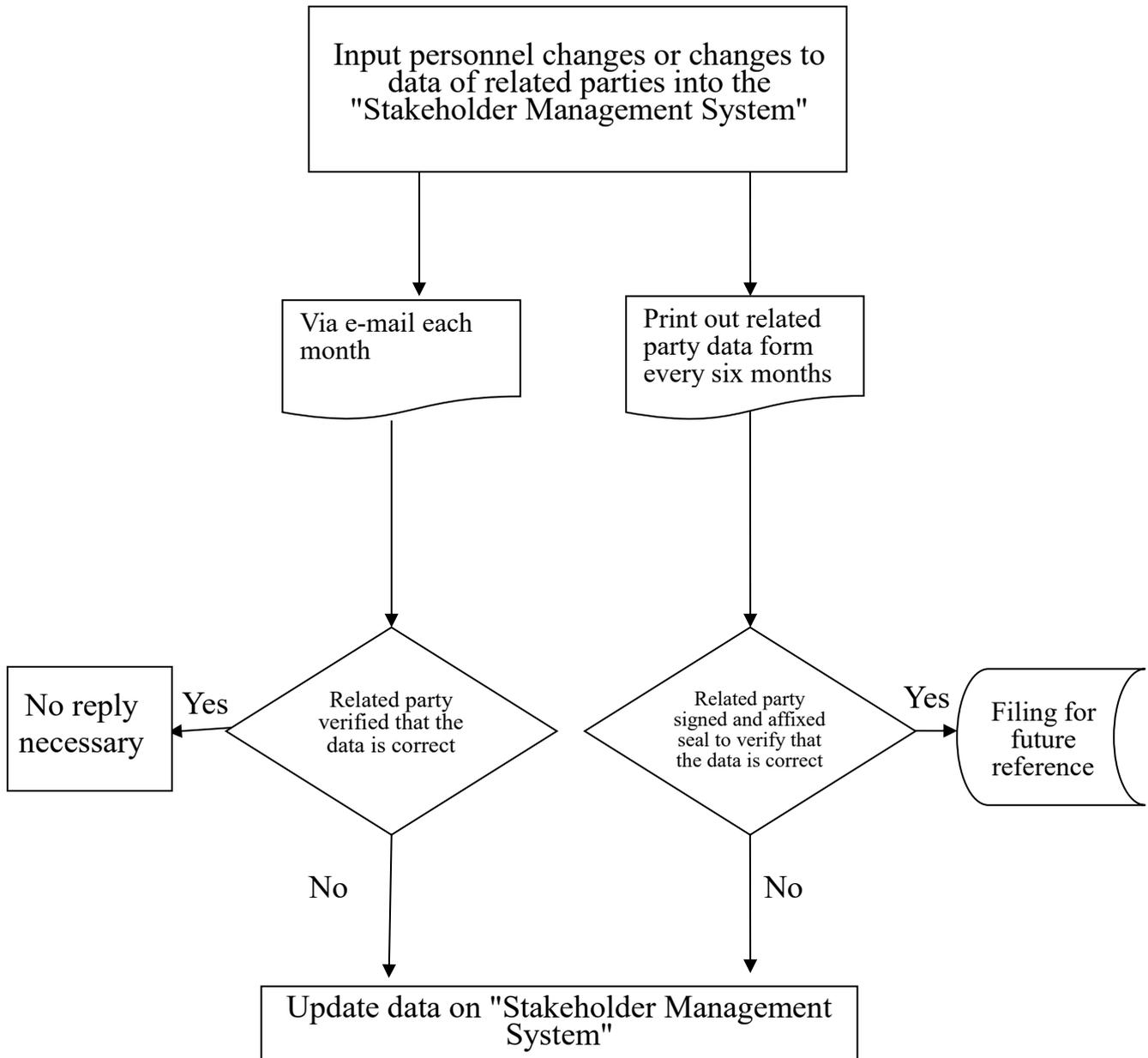
Article 8 (Other Matters)

Matters not specified in the Rules shall be governed by applicable laws and regulations and the Company's regulations.

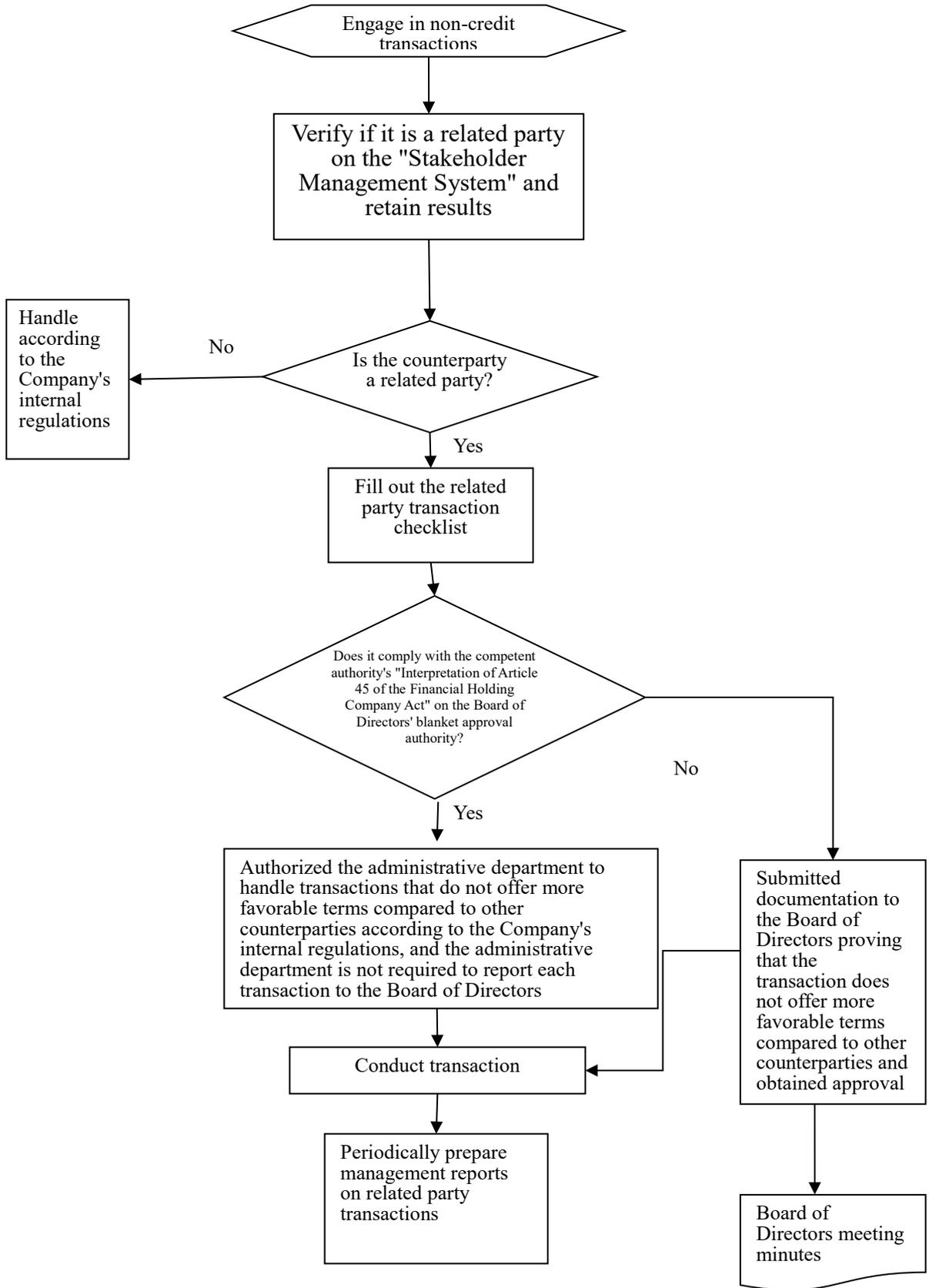
Article 9 (Level of approval authority)

The Rules shall take effect after being approved by the Board of Directors. The same applies to all subsequent amendments or abolition. However, the president is authorized to approve amendments to attachments of the Rules.

Stakeholder data filing and maintenance process



Stakeholder inquiry



Related party transaction checklist

Transaction counterparty:

Date of audit:

Item No.	Audit item	Yes	No
1	<p>What type of stakeholder is the transaction counterparty (including securities issuer):</p> <ol style="list-style-type: none"> 1. The Company and its responsible persons and major shareholders. <input type="checkbox"/> 2. Proprietorship or partnership businesses owned by the responsible person of the Company and major shareholders, or any other companies or organizations to which they serve as responsible persons. <input type="checkbox"/> 3. The Company's affiliates and their responsible persons and major shareholders. <input type="checkbox"/> 4. The Company's subsidiary bank, insurance company, and securities company and their responsible persons. <input type="checkbox"/> 5. A stakeholding third party specified in Article 45, Paragraph 2, Subparagraph 6 of the Financial Holding Company Act. <input type="checkbox"/> 6. Companies or institutions listed as affiliated companies or institutions in information published or printed by the Company. <input type="checkbox"/> 7. Other companies or institutions in which a relative within the second degree of kinship to the chairperson or president of the Company or its subsidiaries serves as the chairperson or president. <input type="checkbox"/> 8. A person with close economic or controlling relationship with responsible persons of the Company or its subsidiaries: <ol style="list-style-type: none"> (1) A company in which a responsible person of the Company or its subsidiaries holds a majority of the outstanding number of voting shares or the total amount of the capital stock. <input type="checkbox"/> (2) A company in which a responsible person of the Company or its subsidiaries has direct or indirect control over the management of the personnel, financial or business operation. <input type="checkbox"/> 9. A stakeholder determined according to Article 206, Paragraph 3 of the Company Act. (Note) <input type="checkbox"/> 		
2	<p>Type of transaction:</p> <ol style="list-style-type: none"> 1. Investment in or purchase of securities issued by any parties listed in the preceding paragraph. <input type="checkbox"/> 2. Purchase of real estate properties or other assets from any parties listed in the preceding paragraph. <input type="checkbox"/> 3. Sale of securities, real estate properties or other assets to any parties listed in the preceding paragraph. <input type="checkbox"/> 4. Any contractual arrangements with parties listed in the preceding paragraph, where money or services are offered as consideration. <input type="checkbox"/> 5. Any party listed in the preceding paragraph serving as agent or broker to the Company or its subsidiaries, or offering services for commissions or fees in return. <input type="checkbox"/> 6. Transactions with a third party that holds a stake in the parties listed in the preceding paragraph, or with third parties which the parties listed in the preceding 		

	paragraph are involved.		
3	Is it a transaction subject to blanket approval specified in the Interpretation of Article 45 of the Financial Holding Company Act announced by the Financial Supervisory Commission?	<input type="checkbox"/>	<input type="checkbox"/>
4	Does the transaction amount exceed the limit on transactions not required to be reported to the Board of Directors according to internal regulations?	<input type="checkbox"/>	<input type="checkbox"/>
5	If the transaction subject to blanket approval, is there documentation proving that the transaction does not offer more favorable terms compared to other counterparties?	<input type="checkbox"/>	<input type="checkbox"/>
6	Were the following requirements met when reported to the Board of Directors: 1. Described the legal basis and main points of the case 2. Described the transaction terms, including the terms (including target, price range, and quantity) and period of authorized transactions 3. Submitted documentation proving that the transaction does not offer more favorable terms compared to other counterparties	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7	Was the documentation proving that the transaction does not offer more favorable terms compared to other counterparties more than one year old?	<input type="checkbox"/>	<input type="checkbox"/>

Note: Article 206, Paragraph 3 of the Company Act stipulates that: "Where the spouse or a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director, has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter."

Case officer:

Reviewed by:

Supervisor: