

◎ Human Resources

● Work Environment, Employee Safety, and Employee Benefits

The Company has enrolled employees in labor insurance, NHI, and group insurance. To ensure sounder benefits for employees, the Company has created an Employee Welfare Committee to oversee matters relating to employee welfare. Our employees are entitled to a variety of benefits, including subsidies for marriage, childbirth, funeral, retirement, hospitalization, employee trips, education scholarship, club activities, and year-end bonuses. The Company has organized employee stock ownership trusts (ESOT), contributing a stipend of NT\$1,000 to the trust account on a monthly basis. Our measures for ensuring environmental and occupational safety in the company include visitor access registration and control, as well as daily cleaning of the office environment by designated personnel; monthly safety inspections, such as commissioning a certified fire engineering company to check among fire hydrants and extinguishers of firefighting equipment, report facility maintenance status, keep our fire safety up to regulatory standards, and be reexamined by relevant authorities; arranging fire drills every half year; disinfecting public areas throughout the building every three months for mosquito-borne disease control and the entire building (indoors and outdoors) every six months for environmental sanitation control; organizing “safety and health training” for active employees and providing them health examinations. The objective of our safety measures is to create a safe and positive work environment that boosts employee engagement.

● Remuneration System

Salary adjustment mechanism: According to the Company’s remuneration policy, employee salary is adjusted annually based on consumer price index and employees’ performance after taking account of the Company’s profitability of current year, future risks, and reference to industry practices.

Reward mechanism: In addition to distributing year-end bonuses equivalent to two months of salary from the Company, performance bonus is subjected to the

following factors: pre-tax surplus achievement rate and increase rate, pre-tax EPS, ROE, and ROA compared with the other publicly listed financial holding companies, and other non-financial performance indicators for the year such as ESG. According to our Articles of Incorporation, 0.02% to 0.15% of profits for the year, if any, should be allocated as remuneration to employees, with at least 1% distributing to entry-level employees.

Retirement System

As measures for supporting employees' retirement life, the Company has contributed 6% of their monthly salary to a retirement reserve fund held at the Bank of Taiwan and established Supervisory Committee of Employee Retirement Reserve, pursuant to the Labor Standards Act, the Company's employee retirement policy. Employees covered by the old pension system who meet the retirement criteria (workers may retire voluntarily if they reach the age of 55 and have worked for 15 years / have worked for more than 25 years / reach the age of 60 and have worked for 10 years; workers are mandated to retire if they reach the age of 65) will receive pension based on calculating their years of service and their average salary over the last six months before retirement – Two base points per year of service for the first 15 years, and one base point per year beyond the 15 years, with the maximum of 45 base points. Starting from July 1, 2005, for employees who opt for the new pension system and newly hired employees since then, the Company makes monthly contribution equivalent to 6% of their salary to their individual pension account at the Bureau of Labor Insurance in compliance with the new labor pension scheme. Upon retirement at age 60, employees may choose between monthly payments or a lump-sum payout.

Collective Bargaining Agreements

The Company has signed a collective bargaining agreement with Mega Financial Holdings Group Union, which stipulates various labor conditions, and is in the progress of negotiating a separate agreement with the Company's enterprise union, which has not yet been signed.

Commitment to Employees

Our commitments to employees are detailed in the “Work Rules,” which have been approved and filed by the relevant authorities. These commitments cover the aspects as follows and apply to contractors and business partners:

Paying a sufficient living wage

Establish a sound salary, evaluation, and promotion system to ensure that employees receive adequate salary that meets or exceeds the estimated costs of living or basic living.

Avoiding or reducing overtime or excessive working hours

An attendance system is implemented to monitor employee attendance and working hours, ensuring that employees do not work overtime or exceed the maximum working hours.

Setting maximum working hours

Set maximum working hours for each day (or week), with regular working hours not exceeding eight hours per day and forty hours per week.

Equal remuneration for men and women

To ensure equal pay for equal work between men and women, an annual calculation of the gender pay gap is conducted. If any gender pay disparity is identified and needs to be adjusted, relevant measures will be proposed to the Sustainable Development Committee.

Paying employees for annual leave

Commit to paying employees for their annual leave, using the HR system to calculate paid annual leave days, and notifying employees of their available paid annual leave on January 1st each year.

Setting minimum consultation or notice periods before mass layoffs

In accordance with the Labor Standards Act, advance notice of labor contract termination must be given at least 10 to 30 days prior to dismissal. In case that being qualified as mass layoffs, notification to the authority and public announcement will be made 60 days before the effective date, in accordance with the Act for Worker Protection of Mass Redundancy.