

Union Bank of Taiwan Compliance Policy

Approved by the 22nd Meeting of the 7th Board of Directors on January 11, 2012

Amended and approved by the 11th Meeting of the 8th Board of Directors on January 22, 2014

Amended and approved by the 17th Meeting of the 8th Board of Directors on February 11, 2015

Amended and approved by the 12th Meeting of the 9th Board of Directors on January 18, 2017

Amended and approved by the 18th Meeting of the 9th Board of Directors on January 31, 2018

Amended and approved by the 13th Meeting of the 10th Board of Directors on March 11, 2020

Amended and approved by the 6th Meeting of the 11th Board of Directors on January 13, 2022

Amended and approved by the 19th Meeting of the 11th Board of Directors on January 1, 2024

1. The Bank's compliance system should include risk control mechanisms for customers, transactions, and personnel. Customer due diligence is strengthened by utilizing financial technology to analyze and provide early warnings of unusual transactions, and establishes mechanisms to identify potential conflicts of interest among personnel. The Bank also reviews the appropriateness and effectiveness of control measures in a timely manner based on internal and external audit findings, all with the aim of establishing effective risk management mechanisms and ensuring the smooth operation of the compliance system.
2. The Bank's compliance system encompasses pre-planning, continuous monitoring, and post-verification and shall function alongside self-inspection, risk management, and internal audit, to form three lines of defense. This guarantees the effective and appropriate operation of the internal control system.
3. A clear and suitable framework for legal communication, consultation, coordination and communication should be established. Through compliance training and the introduction, development, and reinforcement of relevant internal regulations, the Bank ensures that its personnel are well-versed in applicable laws and regulations, thereby strengthening their legal awareness.

4. Before launching new products, services, or applying to competent authorities for introducing new business activities, relevant operating procedures must be reviewed to ensure regulatory compliance. In addition, both regular and irregular reviews should be conducted to verify that all of the Bank's business activities comply with applicable regulations, promoting sound and stable operations.
5. Appropriate compliance self-assessment procedures must be developed and regular self-assessments conducted by all units must be supervised. The Bank may adopt a risk-based approach to analyze regulatory risks and implement necessary verification measures in higher-risk areas to assess regulatory compliance. When necessary, sample audits of key regulations may be conducted to monitor compliance risks in a timely manner.
6. The compliance system must proactively identify and document incidents of regulatory violations, analyze the causes and potential impacts of major compliance deficiencies or misconduct and provide recommendations for improvements. Regular reports must be submitted to the Board of Directors and the Audit Committee.
7. The compliance system must implement appropriate measures to address deficiencies identified through internal audit reviews and evaluate the compliance performance of each unit to ensure a robust and effective system.