

Code of Ethical Management and Behavioral Guidelines for Union Bank of Taiwan Co., Ltd.

Approved by the 8th Board of Directors at the
18th meeting on March 18, 2015.
Amended and approved by the 10th Board
of Directors at the 12th meeting on J
anuary 15, 2020.

Article 1:

The Bank conducts business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement the policy of ethical management and actively prevent dishonest behavior, this Code of Conduct is established in accordance with the "Ethical Management and Guidelines for TWSE/TPEX Listed Companies" and the relevant laws and regulations of the locations where the Bank and Group enterprises operate. This Code specifically regulates the matters that the Bank's personnel should pay attention to when performing their duties.

This Code of Conduct applies to the Bank's subsidiaries, foundations to which the Bank directly or indirectly contributes more than fifty percent of the funds, and other institutions or legal entities with substantial control, as well as Group enterprises and organizations.

Article 2:

The term "Bank personnel" as used in this Code refers to the directors, managers, employees, appointees, or persons with substantial control in the Bank or Group enterprises and organizations.

Article 3:

During the execution of their duties, Bank personnel shall not directly or indirectly offer, accept, promise, or request any improper benefit, nor engage in unethical acts that violate integrity (hereinafter referred

to as dishonest conduct). We also refrain from engaging in dishonest, unlawful, or breach-of-trust behaviors aimed at gaining or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4:

For the purpose of this Code, benefits mean any money, gifts, presents, commissions, positions, services, preferential treatment, rebates, facilitating payments, entertainment, dining, or any other item of value in whatever form or name. Except when it is a normal occasional social etiquette, and does not affect specific rights and obligations.

Article 4-1:

The Bank shall comply with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations for TWSE/TPEX listed companies, and other laws related to business conduct, as a fundamental prerequisite for implementing integrity in operations.

Article 4-2:

The Bank shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish

good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 5:

The directors, managers, employees, appointees, and ultimate controllers of the Bank shall exercise the duty of care as a prudent manager, supervise the Bank to prevent unethical conduct, and regularly review its implementation effectiveness and continuous improvement to ensure the implementation of the ethical management policy.

To achieve sound ethical management, the Bank shall designate the "Corporate Social Responsibility Committee" under the Board of Directors, with the establishment of the "Corporate Governance Team" as a dedicated unit (hereinafter referred to as the Bank's dedicated unit) and equip it with sufficient resources and qualified personnel, to be responsible for supervising the implementation of the Bank's ethical management policy and prevention programs. It shall mainly manage the following matters, and report to the Board of Directors on a regular basis (at least once a year):

1. Supervise relevant units to assist in incorporating ethics and moral values into the company's business strategy according to the laws and regulations, and establish anti-fraud measures to ensure ethical management.
2. Regularly analyzing and evaluating the risk of dishonest behavior within the business scope, and accordingly supervising relevant units in adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Bank's operations and business.
3. Supervise relevant units in establishing mutual supervision and

check-and-balance mechanisms for business activities with high risk of unethical conduct within the scope of business.

4. Supervise the promotion and implementation of awareness and educational activities with respect to ethics policy.
5. Supervise relevant units in planning the whistleblowing system to ensure the effectiveness of its implementation.
6. Assist the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 5-1:

The Bank shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The Bank shall establish a prevention plan that should at least cover the preventive measures for the following acts:

1. Offering and accepting bribes.
2. Illegal political contributions.
3. Improper charitable donations or sponsorship.
4. Offering or accepting unreasonable gifts, entertainment or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, wellness, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 5-2:

The Bank shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Bank and its Group Enterprises and Organizations shall explicitly state their integrity management policy in their regulations, external documents, and company website. Furthermore, the Board of Directors and senior executives are committed to actively implementing the integrity management policy, ensuring its effective execution in internal management and commercial activities.

The Bank shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 6:

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Bank shall comply with the provisions of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the provisions of this Code, and the relevant procedures shall have been carried out:

1. Based on business needs, local courtesies, customs, and habits should be followed during domestic/foreign visits, guest-hosting, and promoting business and communication.
2. Participate in or invite others to participate in normal social activities for normal social customs, business purposes, or to

promote relationships.

3. Invite customers or be invited to participate in specific business activities, factory visits, etc. due to business needs, and the cost sharing method, number of participants, accommodation level and duration of the pre-operational activities have been specified.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Other conduct that complies with the rules of the Bank.

Article 7:

Except under any of the circumstances set forth in the preceding article, when any personnel of the Bank are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Bank's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If there is a relationship of interest between the party offering or promising the benefit and the official duties of the Bank's personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the dedicated unit. When the benefit cannot be returned, the personnel shall refer the matter to the responsible unit within three days after accepting the benefit for further action.

"A relationship of interest between the party offering or promising the benefit and the official duties of the Bank's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Bank's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

Depending on the nature and value of the interest of the first item, the responsible unit of the Bank shall put forward suggestions such as refund, payment for acceptance, return to the public, transfer to charity or other appropriate suggestions, which shall be submitted to the Chairman for approval before implementation.

Article 8:

The Bank shall neither provide nor promise any facilitating payment.

Personnel of the Bank who provide or promise bribes because of threats or intimidation shall record the process and report to their direct supervisor as well as notify the Bank's responsible unit.

Upon receipt of the report under the preceding paragraph, the Bank's dedicated unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the dedicated unit shall also immediately report to the relevant judicial agency.

Article 9:

To ensure the financial stability of the Bank and to uphold the Bank's

corporate social responsibility, any provision of political donations, charitable contributions, or sponsorships by the Bank shall be conducted in accordance with the regulations stipulated in the Bank's "Head Office Division of Responsibilities for Accounting Internal Audit."

Article 10:

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the Directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Bank, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion of the voting, and may not exercise voting rights as proxy for another director. Directors shall also exercise self-discipline and must not support one another in improper dealings.

If in the course of conducting company business, any personnel of the Bank discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Bank may use company resources on commercial activities other than those of the Bank, nor may any personnel's job performance be affected by his or her involvement in the commercial

activities other than those of the Bank.

Article 11:

The personnel of the Bank shall strictly adhere to relevant operational guidelines of the company's intellectual property rights. Personnel must not disclose any company trade secrets, trademarks, patents, copyrights, or other intellectual property of which they are aware to any third parties. Furthermore, personnel are prohibited from inquiring about or collecting any company trade secrets, trademarks, patents, copyrights, or other intellectual property that are not pertinent to their job responsibilities.

Article 12:

The Bank shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 13:

The Bank shall collect and understand the applicable laws and regulations and international standards governing its products and services, which it shall observe and gather. The Bank shall also compile and publish the relevant guidelines so that the personnel of the Bank ensure the transparency of information about and safety of the products and services in the course of research and development, procurement, manufacture, provision, and sale of the products and services.

The Bank shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other

stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports or sufficient facts to determine that the Bank's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Bank shall immediately suspend such services or take other urgent measures, verify the facts and present a review and improvement plan.

The responsible unit of the Bank shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

Article 14:

All personnel of the Bank shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading. Any organization or person outside of the Bank that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Bank shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Bank acquired as a result, and that they may not use such information without the prior consent of the Bank.

Article 15:

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Bank shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Bank carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the Bank has formulated a policy of integrity management and its implementation.
3. Whether the enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business that a company engages in carries a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 16:

Any personnel of the Bank, when engaging in commercial activities, shall make a statement to the trading counterparty about the Bank's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 17:

All personnel of the Bank shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Banks ethical management policy.

Article 18:

When signing a contract with others, the Bank shall fully understand the ethical corporate management of the other party, and incorporate compliance with the ethics policy of the Company into the terms of the contract. At least the following matters shall be specified in the contract:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. Where a party

- suffers damage as a result, it may claim damages from the other party and deduct the amount from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
 3. Set out clear and reasonable terms of payment, including the place and method of payment and the relevant tax legislation to be complied with.

Article 19:

The Bank shall establish an effective accounting system and internal control system for business activities with a high risk of unethical conduct. No private ledgers or off-the-book accounts may be retained, and this should be monitored at all times, to ensure continuous and effective design and implementation of the systems.

The internal audit unit of the Bank shall develop audit plans based on the assessment results of dishonest behavior risks. These plans shall include the audit targets, scope, items, frequency, and other relevant details. They shall be used to verify compliance with the preventive measures. If necessary, an accountant may be assigned to conduct the audit, and professional assistance may be sought.

The audit results from the preceding item should be reported to senior management and the dedicated unit for ethical management, and an audit report should be prepared and submitted to the Board of Directors.

Article 20:

The Bank encourages internal and external personnel to report unethical conduct or wrongdoing, and rewards the whistleblower with

money according to the severity of the reported incident. Internal personnel who submit false reports or make malicious accusations shall be subject to disciplinary action, and in cases of serious offenses, dismissal shall be enforced.

The Bank shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Bank internal and external personnel to submit reports.

The whistleblower shall provide at least the following information:

1. The whistleblower's name, identification number, and contact information including address, telephone number, and email address.
2. The name of the reported person or other data sufficient to identify the reported person.
3. Specific evidence that can be used for investigation.

Bank personnel dealing with the whistleblowing cases shall provide written statements that they would keep the identity of the whistleblowers and the contents of their reports confidential. In addition, the Bank is committed to protecting whistleblowers from improper treatment as a result of their whistleblowing. The handling of reports received by the Bank shall be conducted in accordance with the following procedures:

1. Any reported misconduct involving regular employees shall be reported to the unit supervisors. Any reported misconduct involving Directors or senior executives shall be reported to the Independent Directors.
2. The Bank's receiving unit, along with the supervisors or personnel mentioned in the preceding paragraph, shall promptly investigate

the relevant facts. If necessary, they shall seek assistance from the Audit Department or other relevant departments.

3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations, or the Bank's policy and regulations of ethical management, the Bank shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Bank may institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, the Bank shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. When necessary, the matter shall be reported to the competent authorities or referred to judicial authorities for investigation.
6. The receiving unit of the Bank should report the details of the report, how it was handled, and the subsequent review and improvement measures to the Board of Directors.

Article 21:

If any personnel of the Bank discovers that another party has engaged in unethical conduct towards the Bank, and such unethical conduct involves alleged illegality, the Bank shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or

public official is involved, the Bank shall notify the governmental anti-corruption agency.

Article 22:

The Bank shall hold internal advocacy by arranging for the Chairman, General Manager, or senior management to communicate the importance of ethics to directors, employees, and appointees.

The Bank shall incorporate ethical management into the employee performance appraisal and human resources policies, and establish a clear and effective reward and punishment and appeal system.

If any personnel of the Bank seriously violates ethical conduct, the Bank shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Bank.

The Bank shall disclose on its internal website the name and title of the violator, the details of the violation, the handling status, and other information.

Article 23:

This Code of Conduct has been approved and implemented by the Board of Directors and reported to the shareholders' meeting; the same procedure applies to any amendments.

When this Code is submitted to the Board of Directors for discussion, the opinions of all independent directors should be fully considered, and any opposing or reserved opinions should be recorded in the minutes of the Board of Directors' meeting. If an independent director cannot attend the Board of Directors' meeting in person to express their opposition or reservation, they shall, unless there is a legitimate

reason, provide a written opinion in advance, which should also be recorded in the minutes of the Board of Directors' meeting.