

Union Bank Of Taiwan

Remuneration Committee Organization Procedures

Approved at the 19th meeting of the 7th session of the Board of Directors on August 24, 2011
Approved at the 17th meeting of the 8th session of the Board of Directors on February 11, 2015
Approved at the 16th meeting of the 10th session of the Board of Directors on July 8, 2020

Article 1 Dependence

These regulations are in accordance with Article 3 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” .

Article 2 Scope of Application

The Remuneration Committee (hereinafter referred to as the “Committee”) shall be composed of the members of the Company, the number of members, the term of office of the Committee, its terms of office, its duties and responsibilities, its rules of procedure, and the resources that the Company shall provide to the Committee in exercising its duties and responsibilities in accordance with the provisions of this Statute.

Article 3 Composition, number and term of office

The members of the Committee shall be appointed by resolution of the Board of Directors and shall consist of at least three members. The Company has established independent directors in accordance with the Securities and Exchange Act. A majority of the members of the Committee shall be independent directors, and all members shall elect the independent directors to serve as the convenor and chairman of the meeting.

The term of office of the members of this Committee is the same as the term of the Board of Directors who appointed them.

In the event that the number of members of this committee is less than three due to the termination of the committee, the Company shall convene a board of directors meeting within three months from the date of occurrence of the event to make additional appointments. However, if an independent director member is terminated and there is no other independent director, the Company may, prior to the Company's election of an independent director in accordance with the regulations, first appoint a person who does not possess the qualifications of an independent director to serve as a member of the compensation committee, and then appoint the person to serve as an independent director following the election of an independent director.

In the event of an appointment or change in the membership of this Committee, the Company shall make an announcement and report on the information reporting website designated by the competent authority within two days from the date of occurrence.

Article 4 Responsibility

The members of this Committee shall faithfully perform the following duties with the care of a good steward and shall be accountable to the Board of Directors and shall submit their recommendations to the Board of Directors for discussion:

1. To establish and periodically review the policies, systems, standards and structures for performance evaluation and compensation of directors and managers.
2. Evaluate and set the remuneration of directors and managers on a regular basis.

Article 5 In the performance of its duties under the preceding Article, the Committee shall be guided by the following principles:

1. The performance evaluation and compensation of directors and managers should be based on the industry norms, taking into account the reasonableness of the linkage with individual performance, the Company's operating results and future risks.
2. Directors and managers should not be induced to engage in behavior that exceeds the Company's appetite for risk in pursuit of remuneration.
3. The percentage of bonus to directors and senior managers for short-term performance and the timing of payment of part of the change in salary should be determined by considering the characteristics of the industry and the nature of the Company's business.

The scope of remuneration, as referred to in these Regulations, includes cash compensation, stock options, bonus shares, retirement benefits or severance pay, various allowances and other measures with substantial incentives, which should be consistent with the criteria for the matters to be recorded in the annual report of a public company with respect to the remuneration of directors and managers.

When the Board of Directors discusses the Committee's recommendations, it should consider the amount of compensation, the method of payment, and the Company's future risks.

If the Board of Directors does not adopt or amend the recommendations of this Committee, the Board of Directors shall act with the approval of at least two-thirds of all directors present and a majority of the directors present, and shall include in its resolution a resolution that takes into account the foregoing considerations and specifies whether or not the compensation adopted is more favorable than the recommendations of this Committee.

If the remuneration approved by the Board of Directors is more favorable than the Committee's recommendation, the Board of Directors shall specify the circumstances and reasons for the difference in the minutes of the Board of Directors' meeting, and make a public announcement on the information reporting website designated by the competent authority within two days from the date of the Board of Directors' approval.

If the remuneration of directors, supervisors and managers of the Company's subsidiaries is subject to the approval of the Company's Board of Directors in accordance with the hierarchical decision-making process of the subsidiaries, the Company's Committee shall first request the Company's Committee to make a recommendation before submitting it to the Board of Directors for discussion.

Article 6 Convening of the meeting

The Committee shall meet at least twice a year and as often as necessary.

The Committee shall be convened by stating the reasons for the convening and notifying the members of the Committee seven days in advance. However, in case of emergency, this shall not be a limitation.

Notification of the foregoing may be made by electronic means.

If the convenor is on leave of absence or is unable to convene the meeting for any reason, he/she shall designate another independent director of the Committee to act as his/her proxy; if the convenor has not designated a proxy, the other members of the Committee shall elect a person to act as his/her proxy.

The convenor of the Committee represents the Committee externally.

The Committee may invite directors, managers of relevant departments of the Company, internal auditors, accountants, legal advisors, or other personnel to attend the meetings and provide relevant and necessary information. However, the Committee shall be absent from the meeting during discussion and voting.

Article 7 Rules of Procedure

The agenda of this Committee is set by the Convenor and other members may also provide motions for discussion by the Committee. The agenda of the meeting shall be provided to the members of the Committee in advance.

A sign-in book shall be kept by the Company for the signatures of the members present at the meetings of the Committee and shall be available for inspection.

The members of the Committee shall attend the meeting in person. If they are unable to attend the meeting in person, they may appoint other members to attend the meeting on their behalf; if they participate in the meeting by video, they shall be regarded as attending the meeting in person. However, a meeting shall not be convened if less than two members attend the meeting in person.

When a member of the Committee appoints another member to attend the meeting as a proxy, the member shall submit a proxy form each time and list the authorization for the convening of the meeting.

The resolution of the Committee shall be approved by at least one-half of all members. If no objection is raised by the chairman of the Committee, the resolution shall be deemed to be passed and shall have the same effect as a vote. The result of the vote shall be reported and recorded in the meeting.

The third proxy shall be limited to one person.

The members of the Board of Directors referred to in these bylaws shall be counted as those who are actually in office.

The Committee shall state at the meeting that it is not allowed to join in the discussion or vote on any matter concerning the compensation of its members if it is detrimental to the interests of the Company, and shall refrain from exercising his/her voting rights on behalf of other members of the Compensation Committee.

If the committee is unable to hold a meeting or make a resolution due to the provisions of the third proviso or the preceding paragraph, the committee shall report to the board of directors for discussion and resolution.

If the board of directors discusses and resolves the matter in accordance with the preceding paragraph, it shall be recorded in the minutes of the board of directors' meeting, and a public announcement shall be made on the information reporting website designated by the competent authority within two days from the date of the resolution.

Article 8 Procedures

Procedures shall be made of the proceedings of this Committee and shall contain a full account of the following matters :

- 1.Meeting session, time and place °
- 2.Name of the Chairperson °
- 3.Attendance status of members, including the names and number of attendees, absentees and excused persons.
- 4.Name and title of attendee °
- 5.Name of Record °
- 6.Reporting Issues °
- 7.Discussion Issues : Methods and results of resolution of each motion, names of members whose remuneration is related to their own remuneration in accordance with the provisions of the preceding Article, contents of their remuneration, circumstances of avoidance, summaries of speeches made by members, experts, and other personnel, and dissenting or reserving opinions.
8. Provisional Motion : The name of the proposer, the method and result of resolution of the motion, summary of speeches of members, experts and others, the name of the member whose remuneration is related to his/her own remuneration in accordance with the provisions of the preceding Article, the content of his/her remuneration, the situation of avoidance, and the objection or reservation of the member.
9. Other Issues to be recorded.

If a member of the Committee has any objections or reservations to the resolutions of the Committee and such objections or reservations are documented or stated in writing, the Committee shall, in addition to stating such objections or reservations in the minutes of the Committee meeting, make a public announcement and report the same on the website designated by the competent authority within two days from the date of the occurrence of the fact.

This Signature Book of the Committee forms part of the Procedures.

Procedures shall be signed or sealed by the chairman of the meeting and the recording officer, shall be distributed to the members of the Committee within twenty days after the meeting, shall be reported to the Board of Directors and included in the Company's important files, and shall be kept for five years.

Before the expiration of the preceding retention period, any litigation concerning matters related to the Committee shall be retained until the litigation is terminated.

The production and distribution of the first Hansard may be done electronically.

If the Committee is convened by video conference, the video and audio data shall be part of the proceedings.

Article 9 Resources to be provided by the Company to the Remuneration Committee
The Committee may, by resolution, appoint an attorney, accountant, or other professional, at the Company's expense, to audit or advise as necessary on matters relating to the exercise of its duties and responsibilities.

Article 10 Execution of Resolutions

The Committee shall periodically review matters relating to the Organizational Procedures and provide the Board of Directors with amendments thereto.

The Convenor or other members of the Committee may be authorized to continue the execution of the matters resolved by the Committee, and to report to the Committee in writing during the execution period, and if necessary, to submit a report to the Committee at the next meeting for confirmation or report.

Article 11 Amendments to the Rules

These Articles of Incorporation shall come into force after they have been approved by a resolution of the Board of Directors, and shall be amended in the same manner.