

China Development Financial Holding Corporation Rules of Procedure for Board of Directors Meetings

Competent Authority: Secretariat, Board of Directors

Date of Drafting: December 2006

Date of Issuance: January 31, 2024

Article 1 To establish a strong board governance system and sound supervisory functions of the Company, and to enhance operational efficiency and decision-making capabilities for the board of directors, these Rules are established pursuant to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” and “Corporate Governance Best Practice Principles of Financial Holding Companies” to abide by.

Article 2 With respect to the meetings of the Company’s board of directors ("board meetings"), except as otherwise provided by laws or regulations, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3 The board of directors shall meet at least once quarterly.

A notice of the reasons for convening a board meeting shall be given to each director at least 7 days in advance. In emergency circumstances, however, the Chairman may call a board meeting on shorter notice whenever necessary. The proposing unit should state the cause of the case and the timeliness and necessity of urgent review of the proposal, so as to facilitate the Chairman's judgment on the appropriateness of convening a board meeting.

The notice for convening a board meeting mentioned in the preceding paragraph may be given in writing, by fax or electronically.

All matters set forth under Article 7, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.

Article 4 A board meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to board directors and suitable for holding such a meeting.

Article 5 The Secretariat, Board of Directors (“Board Secretariat”) is in charge of the arrangement, coordination and management of board affairs.

The proposing unit shall prepare a written proposal to be submitted to the board of directors, and individually check on the related party and conflicts of interest disclosure. If it is a related party transaction, the proposing unit shall state in the proposal the reason and type of the related party transaction and the requirement of a resolution concurred by at least three-quarters of board directors present at the meeting attended by at least two-thirds of the board directors. The proposal must be signed by the supervisor of the business and sent to the Board Secretariat for forwarding to the Chairman for approval, before it can be placed on the agenda.

The Board Secretariat shall draft agenda items and prepare sufficient meeting materials; and deliver them together with the notice of the meeting to each director.

A director who is of the opinion that the meeting materials provided are insufficient may request the Board Secretariat to supplement the materials. If a director is of the opinion that materials concerning any proposal are still insufficient, the

deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 6 Agenda items for a regular board meeting shall include the following:

1. Matters to be confirmed:
 - (1) Minutes of the last meeting and action taken
2. Matters to be reported:
 - (1) Important financial and business matters.
 - (2) Internal audit activities.
 - (3) Other important matters to be reported.
3. Matters for discussion:
 - (1) Items for continued discussion from the last meeting.
 - (2) Items for discussion at this meeting.
4. Extraordinary motions

Article 7 The matters listed below shall be submitted for discussion at a board meeting:

1. Business plan of the Company.
2. Annual and second quarter financial reports duly signed or sealed by the Chairman, managerial officer, and accounting officer.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the "Securities and Exchange Act", and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the "Securities and Exchange Act", of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, and derivatives trading.
5. The offering, issuance, or private placement of any equity-type securities.
6. If the board of directors does not have managing directors, the election or discharge of the Chairman .

7. The appointment or discharge of a financial, accounting, risk management, legal compliance, internal audit officer or the chief corporate officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board meeting for retroactive recognition.
9. Major capital expenditures, mergers and acquisitions, and matters that have a significant impact on shareholders' equity.
10. Any matter required by Article 14-3 of the "Securities and Exchange Act" or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board meeting, or any such significant matter as may be prescribed by the competent authority, and any matter stipulated in relevant internal handling or operating procedures of the Company to be approved by the board of directors.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the "Regulations for Donation Management" of the Company. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD30 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required

to be submitted for a resolution by the board of directors under paragraph 1, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 8 Apart from matters referred to in paragraph 1 of the preceding article, which are required to be submitted for discussion by the board of directors, when the board of directors during recess period delegates any exercise of its powers pursuant to laws or regulations or the Company's "Articles of Incorporation", matters such as the level and substance of the delegation shall be concretely and specifically set out.

The board of directors may, depending on the nature of the proposal, consign the proposal to a functional committee for deliberation before it is submitted to the board of directors for report or discussion.

Article 9 Where a board meeting is called by the Chairman, the meeting shall be chaired by the Chairman. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a board meeting is called by a majority of all the directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the “Company Act”, the directors shall choose one person by and from among themselves to chair the meeting.

When the Chairman is on leave or for any reason is unable to exercise the powers of the Chairman, the Vice Chairman shall do so in place of the Chairman, or, if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason is unable to act, by a managing director designated by the Chairman, or, if there is no managing director, by a director designated thereby, or, if the Chairman does not make such a designation, by a managing director or director elected by and from among themselves.

Article 10 When a board meeting is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's “Articles of Incorporation”, appoint another director to attend as their proxy. Attendance via video-conferencing is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 11 When a board meeting is held, depending on the content of a proposal, a relevant department or a functional committee or a subsidiary may be notified to prepare information for the board directors attending the meeting for reference.

Personnel from a relevant department or a functional committee or a subsidiary may be notified to attend the meeting to report on the business overview and answer questions raised by directors.

When necessary, certified public accountants, attorneys, or other professionals may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 12 The chair of the board meeting shall call the meeting to order at the appointed meeting time and when more than one half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time to a later time of the same day, provided that only two postponements may be made. If the quorum is still not met after two such postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3 of these Regulations.

The number of "all directors", as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2, shall be counted as the number of board directors then actually in office.

Article 13 A board meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of the directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of the directors present at the meeting.

If at any time during the proceeding of a board meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis.

During a meeting, the chair may declare a break or consultation at anytime at his or her discretion.

If at any time during the proceeding of a meeting the chair cannot preside the meeting for any cause or the chair fails to declare the meeting closed in accordance with the procedures prescribed in paragraph 2, the regulations of Article 9 paragraph 3 shall apply to the election of the acting chair.

Article 14 When the meeting chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. Except for those passed without objection from all attending directors, if there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.

2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at the Company's discretion.

"Attending directors" as used in paragraph 2, does not include board directors that may not exercise voting rights pursuant to Article 16, paragraph 1.

Article 15 Except where otherwise provided by the "Securities and Exchange Act", the "Company Act", and any other laws or regulations, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board meeting attended by a majority of all directors.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be board directors.

Voting results shall be made known on site immediately and recorded in writing.

Article 16 If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and

may not act as another director's proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

Where a director is prohibited by the preceding two paragraphs from exercising voting rights, such board director shall not be counted in the voting rights of attending directors when making a resolution at a board meeting.

Article 17 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. Session (or term), time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as non-voting participants.
5. Name of minutes taker.
6. Matters to be confirmed.
7. Matters reported on.
8. Matters for discussion: the method of resolution and the result for each proposal; a summary of the comments made by board directors, professional experts, or other persons; the name of any board director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the board director was required or not required to enter recusal, and the status of their recusal;

opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 4.

9. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by board directors, professional experts, or other persons; the name of any board director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the board director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
10. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a board meeting shall be stated in the meeting minutes and within 2 days of the meeting be published on an information reporting website designated by the competent authority:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. Any matter that has not been passed by the Audit Committee but has been adopted with the approval of two-thirds or more of all board directors in a board meeting.

When the board of directors review and discuss a case involving a transaction other than credit extension with an interested party as stipulated in Article 45 of the “Financial Holding Company Act”, sufficient written documents must be presented at the board meeting, including documents proving that the transaction price has been independently assessed, or that the terms of the transaction are not more favorable than those offered to other

similarly situated counterparties. Board directors with potential conflicts of interest must disclose all relevant facts related to the transaction. The remaining directors, who are free of conflicting interest, shall ensure that the decision is made without compromising the safety and stability of the Company, and free of violation against board directors' duty of loyalty. The reasons for making such resolution shall be stated in the minutes of the board meeting.

The attendance book forms a part of the minutes for each board meeting and shall be well preserved during the existence of the Company.

The minutes of a board meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records during the existence of the company. The production and distribution of the meeting minutes may be done in electronic form.

The Board Secretariat shall send the board meeting minutes with meeting materials to the Financial Supervisory Commission within the time limit required by the competent authority.

Article 18 The Company shall record on audio or video tape the entire proceedings of a board meeting, and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board meeting is held via video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

Article 18-1 When a proposal is approved by the directors, the proposing unit shall perform the execution according to the board resolution. If the proposing unit is unable to perform the execution according to the board resolution, it shall be handled in the following manner:

1. Before the execution

(1) Unless the planned schedule is otherwise noted or a force majeure event occurs, if the execution is not performed within 3 months of the board resolution or has been decided not to execute, the proposing unit shall submit another proposal to the board meeting, explaining the reasons and its follow-up plan.

(2) Before the legally binding act occurs, if it is found that there are significant changes or inconsistencies between the current situation of the case and the important information or key basis of the original board resolution, the proposing unit shall re-submit the proposal to the board meeting for approval.

2. During the execution

In the process of execution, if the proposing unit fails to comply with the board resolution and requires part of the conditions to be changed or terminated, unless otherwise authorized by the board meeting to change or terminate the execution, the proposing unit shall re-submit the proposal to the board meeting for review or approval.

3. After the execution

The execution has been performed according to the board resolution. The proposing unit shall report to the board meeting of the major changes or inconsistencies and the progress of the execution within 2 months from the time when they become aware of the major changes or inconsistencies.

The proposing unit is responsible for tracking and managing its case.

Article 19 Except for Article 17 paragraph 3, the provisions of Article 2, Article 3 paragraph 2, Articles 4 to 6, and Article 10 to the preceding article shall apply mutatis mutandis to the procedure for meetings of the managing directors. The provisions of Article 3 paragraph 4 shall apply mutatis mutandis to the election or discharge of the Chairman.

Article 20 Any matters that are not addressed in these regulations shall be governed by the “Company Act” and other relevant laws or regulations.

Article 21 These Rules shall be adopted by the approval of the board meeting, and shall take effect from the date of issuance. Subsequent amendments will be implemented after approval by the board meeting.