

(VII) The Bank's integrity and measures taken to ensure service integrity

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TPEX-Listed Companies (Note 2)
	Yes	No	Summary	
<p>I. Establishing ethical management policies and plans</p> <p>(I) Did the Bank expressly provide the policies, methods, and the commitment of the Board and the management of implementing the operation policies in its regulations and documents released to external parties?</p> <p>(II) Did the Bank draft plans that prevent unethical acts, expressly provide</p>	V		<p>(I) The Bank has adopted parent company JihSun Holding's business core values and taken them as the foundation of all business activities: "credibility, honesty, and accountability" from its three principles and "loyalty and accountability are the cornerstones of a person" from its three work ethos that employees are bound to uphold. We believe that ethics and loyalty are the foundations of all businesses. The Bank follows JihSun Financial Holding Co., Ltd. and Subsidiaries Business Integrity Principles and directors'/managers' ethical code of conduct to enhance its corporate governance system. The integrity principles serve as a foundation for corporate governance practices, and exist to ensure that directors', independent directors' and managers' behaviors are consistent with ethical standards. All related policies have been announced to the public through Market Observation Post System.</p> <p>(II) Dishonest conduct is prohibited according to JihSun Financial Holding Co., Ltd. and the Subsidiaries Business Integrity</p>	None

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<p>operating procedures, codes of conduct, disciplinary actions against infractions, and complaint regulations in those plans, and implement those plans?</p> <p>(III) Has the Bank taken steps to prevent occurrences listed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TPEX-Listed Companies" or business conduct that is prone to integrity risks?</p>			<p>Principles, Directors'/Managers' Ethical Code of Conduct, and Jih Sun International Bank, Ltd. Work Rules. The Work Rules also outline the disciplinary policy and communication channels the Bank has in place. Violations are subject to disciplinary action depending on the level of severity.</p> <p>(III) As part of the Bank's internal control, certain job roles are rotated on an unscheduled basis or are subjected to mandatory leaves of absence. This is to avoid concealment of fraudulent activities. The Bank also has Work Rules that outline the discipline and code of conduct that employees are bound to obey. It follows the directors' and managers' code of conduct of its parent company (JihSun Financial Holding Co., Ltd.) to prohibit dishonest conducts, and JihSun Financial Holding Co., Ltd. Donation Policy to regulate all donations to external parties.</p>	
<p>II. Enforcing ethical management</p> <p>(I) Did the Bank evaluate the business ethics records of its transaction counterparties and expressly provide ethical conduct clauses in the contracts entered into with its transaction</p>	V		<p>(I) The Bank chooses its business partners carefully. We uphold our principles of ethical dealing and specify the condition of ethical management in business contracts.</p>	None

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<p>counterparties?</p> <p>(II) Did the Bank create positions that are dedicated (or also responsible for) implementing ethical operation, and authorize top management to process this matter with a mandate from the Board, and report the condition of processing to the Board?</p> <p>(III) Did the Bank create policies that prevent conflicts of interest, provide proper channels of expression, and implement such rules?</p>			<p>(II) To enforce business integrity management, the parent company's (JihSun Financial Holding Co., Ltd.) Group Risk Management Division has been assigned the duty of developing integrity policies throughout the group. It coordinates with various departments to report to the Board of Directors on an annual basis.</p> <p>(III) The Bank has followed the rules concerning avoidance of conflicting interests outlined in JihSun Financial Holding Co., Ltd.'s business integrity principles. All directors, managers and any stakeholders present at board of directors meetings are bound to comply with The Company Act and the Bank's Board of Directors Conference Rules with respect to any agenda that presents conflicting interests against themselves or against the entities they represent. Employees of the Bank are not allowed to exploit their vested authorities for improper gains, whether for themselves or for spouse, parents, children, or any other parties.</p> <p>JihSun Financial Holding Co., Ltd.'s directors and managers</p>	

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			<p>ethical code of conduct specifically requires directors and managers to take initiative in explaining potential conflict of interest that involve them, their spouse or 2nd-degree relative or closer whenever the Bank lends money, offers guarantee, or engages in significant transaction with a related company. This requirement is to prevent people from exploiting their authorities for illicit gains.</p> <p>According to Board of Directors Conference Rules: if a director, or the corporate entity that the director represents, is considered a stakeholder to the discussed agenda, the director must state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if such stakes are in conflict against the Company's interests. In which case, the director may not exercise voting rights on behalf of other directors. The policy and method for reporting misconduct are disclosed on the JihSun Financial Holding Co., Ltd.'s website in the Stakeholder Engagement section: In the event of any violation of the Business Integrity Principles, a report can be made to the e-mail address for misconduct reporting. The Bank will keep the identity of whistle-blowers and the content</p>	

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<p>(IV) Has the Bank implemented effective accounting and internal control systems for maintaining business integrity? Are these systems reviewed by internal or external auditors on a regular basis?</p> <p>(V) Does the Bank provide internal and external training on ethical operation on a regular basis?</p>			<p>of reported cases confidential. Once the misconduct is verified, the Bank will handle it in accordance with relevant laws and regulations or internal regulations.</p> <p>(IV) The Bank has implemented effective accounting, internal control, and internal audit systems. It has an Internal Audit Department that conducts regular internal audits and helps external auditors audit the system in a manner that complies with the Implementation Rules of Internal Audits and Internal Control Systems of Financial Holding Companies and Banking Industries and the Bank's policies.</p> <p>(V) The Bank has outlined in its work rules and management policies the behaviors that employees are bound to obey, and disciplinary systems to enforce such behaviors. Training is organized on a yearly basis to promote employees' awareness of the Money Laundering Control Act, the Consumer Protection Act, and the Personal Information Protection Act. The Company also makes weekly compliance announcements that include case studies of penalties imposed against peers, which serves as a warning against potential dishonest behaviors. Progress of compliance training is reported to</p>	

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			the board of directors on a half-yearly basis.	
<p>III. Reporting of misconducts</p> <p>(I) Does the Bank provide incentives and means for employees to report misconducts? Does the Bank assign dedicated personnel to investigate the reported misconducts?</p> <p>(II) Has the Bank implemented any standard procedures or confidentiality measures for handling reported misconducts?</p> <p>(III) Has the Bank provided proper whistleblower protection?</p>	V		<p>(I) The Bank has implemented a multitude of communication channels as well as reporting mechanisms inside the organization. Upon discovering any violation against the code of conducts, employees may report the incident to the management or to human resources via email, opinion boxes, or in writing. A customer opinion mailbox has also been created to accept complaints and reports from outside the organization.</p> <p>(II) The Bank has implemented standard procedures and confidentiality measures for handling reported misconduct.</p> <p>(III) The Bank has measures in place to protect informants from any form of mistreatment.</p>	None
<p>IV. Enhanced information disclosure</p> <p>Did the bank disclose the content of the ethical operation guidelines and their implementation results on its website and the Market Observation Post System?</p>	V		<p>Details of "JihSun Financial Holding Co., Ltd. and Subsidiaries Business Integrity Principles" have already been disclosed on JihSun Financial Holding Co., Ltd.'s website and MOPS.</p>	None
<p>V. For the banks which have established corporate social responsibility code of conducts in accordance with the "Corporate Governance Best-Practice Principles for TPEX-Listed Companies", please describe the current practices and any deviations from the code of conduct: None.</p>				

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<p>VI. Other critical information that helps the understanding of the operation of ethical operation at the bank (such as the bank's review and revision of the ethical operation guideline that the bank created):</p> <p>To facilitate sound governance and management, the Bank's Board of Directors has been founded and is operated in accordance with the Articles of Incorporation, the foundation principles, and the conference rules. Three Independent Directors have been appointed in compliance with the law and the Articles of Incorporation to form an Audit Committee that specializes in supervising operations and enhancing management practices within the Bank. A contact window and e-mail address have been made available on JihSun Financial Holding Co., Ltd.'s website to serve as means of communication to the public.</p> <p>Regular corporate governance courses are arranged for Directors and Managers of the Bank to enforce governance and business integrity.</p>				

Note 1: Always provide explanations in the summary description column, regardless of whether there are any deviations from the best practice principles.

Note 2: It is not a publicly traded company and does not have to fill out the "Deviations from Ethical Corporate Management Best Practice Principles for TPEX-Listed Companies and the Causes of Such Deviations".