

# ANNUAL CORPORATE GOVERNANCE REPORT

	Compliant / Non- Compliant	Additional Information	Explanation
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1.Board is Composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Attachment 1 (Resumes of the directors)	There are varieties of background of our Directors such as Insurance Industry (Reinsurance, Underwriting), Legal, Accounting and General Management Experiences.
2. Board has an appropriate mix of competence and expertise.	Compliant		There are varieties of background of our Directors such as Insurance Industry (Reinsurance, Underwriting), Legal, Accounting and General Management Experiences.
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization	Compliant		Director all assist the operation of the company
Recommendation 1.2			
Board is composed of a	Compliant	We have four non-executive directors.	We have four non-

majority of non-executive Directors.			executive directors.
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors,	Compliant	Attachment 2	
2. Company provides in its Board Charter or Manual on Corporate Governance an Orientation program for first time directors.	Non-Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf</a>	
3. Company has relevant annual continuing Training for all directors.	Non-Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/DirectionsfortheImplementationofContinuingEducationforDirectors_E_20191201.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/DirectionsfortheImplementationofContinuingEducationforDirectors_E_20191201.pdf</a>	
Recommendation 1.4			
1. Board has a policy on board diversity	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf</a>	
Recommendation 1.5			
1. Board is assisted in its duty by a corporate secretary	Compliant		Evelyn Tan Uy is the corporate secretary
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		Evelyn Tan Uy is not the Compliance Officer
3. Corporate Secretary is not a member of the Board of Directors,	Non-Compliant		Evelyn Tan Uy is a member of the Board
4. Corporate Secretary attends training/s on Corporate governance.	Non-Compliant		Our corporate Secretary did not attend such training due to covid-19 pandemic in 2020.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	Compliant	Yang, Ming Hui was the Compliance Officer in 2020	
2. Compliance Officer	Compliant	Yang, Ming Hui is the president.	

has a rank of Vice President or an equivalent position with adequate stature and authority in the ration			
3.Compliance Officer is not a member of the board,	Non-Compliant		Yang, Ming Hui is a member of the Board..
4. Compliance Officer attends training/s on corporate governance annually.	Non-Compliant		Yang, Ming Hui didn't attend it due to covid-19 pandemic in 2020.
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-law <sup>5</sup> , and other legal pronouncements and guidelin <sup>6</sup> s should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1.Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf</a>	
Recommendation 2.2			
1.Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant		The board have reviewed and approved the company's business objectives and strategy of 2020 on May 12, 2020.
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength	Compliant		The board have reviewed and approved the company's business objectives and strategy of 2020 on May 12, 2020. And the president will report to the directors before every official board meeting.

Recommendation 2.4			
1.Board ensures and adopts an effective succession planning program for directors, key Officers and management.	Compliant		The board have reviewed and approved the company's business objectives and strategy of 2020 on May 12 2020. And the president will report to the directors before every official board meeting.
2.Board adopts a policy on the retirement for implementation directors and key officers.	Non-compliant		We are a new company established in 2013. Therefore no cases of possible retirement yet. Only Resigning.
Recommendation 2.5			
1.Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
2.Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Rules_Governing_Procedures_for_Meeting_of_BOD_E_1091201.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Rules_Governing_Procedures_for_Meeting_of_BOD_E_1091201.pdf</a>	We always have directors recused on issues involving his/her own remuneration.
Recommendation 2.6			
1.Board has a formal	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/">https://www.fubon.com/financialholdings/en/governance/</a>	

and transparent board nomination and election policy		<a href="https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf">regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf</a>	
2.Board nomination and election policy is disclosed in the company's Manual on Corporate Governance	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf</a>	
3.Board nomination and election policy includes how the company accepts nominations from Minority shareholders.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf</a>	
4. Board nomination and election policy includes how the board reviews nominated candidates	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/The_Procedures_for_the_Election_of_Directors_EN_20190614.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Policy_Managing_BOD_Nominations_Shareholder_Proposals.pdf</a>	
5.Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director,	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
Recommendation 2.7			

1.Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring Transactions.	Compliant		Our policy to related party transaction is no transaction with them at all.
2.RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	Compliant		Our policy to related party transaction is no transaction with them at all.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		Our policy to related party transaction is no transaction with them at all.
Recommendation 2.8			
1.Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant		We don't have CRO and CAO as of now. For the functions, we are counting on external assistance and resources from the Fubon Group.
2.Board is primarily responsible for assessing the performance of Management led by the	Compliant		We don't have CRO and CAO as of now. For the functions, we are counting on external assistance

Chief Executive of (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).			and resources from the Fubon Group.
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place,	Compliant		Board review the result Annually.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders	Compliant		
3, Board approves the Internal Audit Charter	Non-Compliant		

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant		We have risk management reports in Board Meeting annually
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the Effectiveness of risk management strategies.	Compliant		We have risk management reports in Board Meeting annually
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf</a>	
2. Board Charter serves as a guide to the directors in the performance of their functions	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
3. Board Charter is publicly available and posted on the company's website	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_Best_Practice_Principles__E_20201115.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective the Board's functions, particularly			



with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration, The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1.Board establishes board committees that focus on specific board functions to aid in the optimal Performance of its roles and responsibilities.	Compliant		
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Recommendation 3.2

1.Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations,	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Audit_Committee_Charter_E_20200101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Audit_Committee_Charter_E_20200101.pdf</a>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Audit_Committee_Charter_E_20200101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Audit_Committee_Charter_E_20200101.pdf</a>	
3.All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Non-Compliant		We have various backgrounds
4.The Chairman of the Audit Committee is not the Chairman of the	Compliant		Cristine Aprentado is not the chairman of other committees

Board or of any other committee.			
Recommendation 3.3			
1.Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_and_Sustainability_Committee_Charter_E_20200501.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_and_Sustainability_Committee_Charter_E_20200501.pdf</a>	
2.Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Non-Compliant		We do not have independent directors
3.Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant		We do not have independent directors
Recommendation 3.4			
1.Board establishes a separate Board Risk Oversight Committee (BROC)that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant		Our mother company is assisting in Risk Oversight and it's actually stricter and more independent than what we can do since we are only a small operation. Will establish a risk oversight committee in 2021 if necessary for compliance.
2.BROC is composed of at least three members,	Non-Compliant		Our mother company is assisting in Risk

the majority of whom should be independent directors, including the Chairman			Oversight and it's actually stricter and more independent than what we can do since we are only a small operation. Will establish a risk oversight committee in 2021 if necessary for compliance.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		Our mother company is assisting in Risk Oversight and it's actually stricter and more independent than what we can do since we are only a small operation. Will establish a risk oversight committee in 2021 if necessary for compliance.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management	Non-Compliant		Our mother company is assisting in Risk Oversight and it's actually stricter and more independent than what we can do since we are only a small operation. Will establish a risk oversight committee in 2021 if necessary for compliance.
Recommendation 3.5			
1 The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related part transactions of the	Non-Compliant		We don't have Related Party Transactions (RPT) Committee, we simply don't have any transaction with Related Party.

company,			
2.RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Non-Compliant		We don't have Related Party Transactions (RPT) Committee, we simply don't have any transaction with Related Party.

Recommendation 3.6

1.All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Please see form the answers above	
2.Committee Charters provide standards for evaluating the performance of the Committees	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Performance_Evaluation_Policy_for_the_Board_of_Directors_and_Its_Functional_Committees_20210101.pdf</a>	
3. Committee Charters were the company's website.			

Principle,4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1.The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the	Compliant		Directors all participate 100%
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rules and regulations of the Commission.			
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		All material are provided.
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		They do.
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant		The directors all serve for one ICREs only which is Fubon.
Recommendation 4.3			
1.The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant		The directors all serve for one ICREs only which is Fubon.
Principle 5: should endeavor to exercise an and independent judgment on a corporate affairs			
Recommendation 5.1			
The Board is composed of at least twenty to a	Non-Compliant		We don't have independent director

percent (20%) independent directors,			
Recommendation 5.2			
The independent directors possess a necessary qualifications and none of the disqualifications to hold the position.	Non-Compliant		We don't have independent director
Recommendation 5.3			
1.The independent directors serve for a to a maximum cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.	Non-Compliant		Our company established in 2013, therefore no directors exceeds 9 years yet. And we don't have independent directors.
The company bars an independent director from serving in such capacity after the term limit of nine years.	Non-Compliant		

In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	Non-Compliant	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting	
Recommendation 5.4			
The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals,	Compliant	Chairman is Yen, Shun Chi President is Yang, Ming Hui	Chairman is Yen, Shun Chi President is Yang, Ming Hui
The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant		
Recommendation 5.5			
If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	Compliant	Chairman is Yen, Shun Chi President is Yang, Ming Hui	
Recommendation 5.6			
Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same	compliant		

Recommendation 5.7			
The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Non-Compliant		No such a meeting during pandemic
The meetings are chaired by the lead independent director.	Non-Compliant		No such a meeting during pandemic
<b>Principle 6:</b>			
Recommendation 6.1			
The Board conducts an annual assessment of its performance as a whole,	Compliant		
The performance of the Chairman is assessed annually by the Board,	Non-Compliant		
The performance of the individual member of the Board is assessed annually by the Board	Non-Compliant		
The performance of each committee is assessed annually by the Board.	non-compliant		None in pandemic
Every three years, the assessments are supported by an external facilitator.	non-compliant		None in pandemic
Recommendation 6.2			



Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	compliant		
<b>Principle 7:</b>			
Recommendation 7.1			
Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company,	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/10706CodeofEthicalConduct.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/10706CodeofEthicalConduct.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf</a>	
The Code is properly disseminated to the Board, senior management and employees	compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/10706CodeofEthicalConduct.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/10706CodeofEthicalConduct.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf</a>	
The Code is disclosed and made available to the public through the company website.	compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/10706CodeofEthicalConduct.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/10706CodeofEthicalConduct.pdf</a>  <a href="https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Ethical_Corporate_Management_Best_Practice_Principles_E_2020.05.12.pdf</a>	
Recommendation 7.2			
Board ensures the proper and efficient implementation and monitoring of compliance with the	Compliant		

Code of Business Conduct and Ethics,			
Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Yang Ming hui	
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and In accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Non-Compliant		
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant		
2. Board fully discloses all relevant and material information on key executives to evaluate	Compliant		

their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.			
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant		
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant		
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant		
Recommendation 8.5			
1. Company discloses its policies governing	Compliant		We don't have RPTs.

Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions			
2. Company discloses material or significant s for the RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant		We don't have RPTs.
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	As provided above	
2. Company's MCG is posted on its company website	Compliant	As provided above	
<b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors,	Non-Compliant		None has happened
2. The appointment, reappointment, removal,	compliant		

and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.			
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant		None has happened
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant		
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring	compliant		

the external auditor's suitability and effectiveness on an annual basis.			
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest,	compliant		
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity,	compliant		
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_and_Sustainability_Committee_Charter_E_20200501.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_and_Sustainability_Committee_Charter_E_20200501.pdf</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_and_Sustainability_Committee_Charter_E_20200501.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Corporate_Governance_and_Sustainability_Committee_Charter_E_20200501.pdf</a>	
<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating			

relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.

compliant

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

1. Company has an adequate and internal control system in the conduct of its business.

compliant

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.

compliant

Recommendation 12.2

1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.

Non-compliant

We coordinate with Our mother company's internal auditing which is more independent than if we had our own.

Recommendation 12.3

1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board

Non-compliant

We don't have CAE because we are in a very small scale and

			we have supports from our mother company.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Non-compliant		We don't have CAE because we are in a very small scale and we have supports from our mother company.
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Non-compliant		We don't have CAE because we are in a very small scale and we have supports from our mother company.
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant		We don't have a separate risk management function because we are in a very small scale and we have supports from our mother company.
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk	Non-compliant		We don't have a CRO because we are in a very small scale and we have supports from our mother



Management (ERM).			company.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities	Non-compliant		We don't have a CRO because we are in a very small scale and we have supports from our mother company.
Principle '13: The company should treat all shareholders fairly and equitably, and also recognize, protect and, facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	compliant		
2. Board ensures that basic shareholder rights are disclosed on the company's website.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting,	compliant		
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next	compliant		

working day.			
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	Non-compliant		Will follow the rule of posting it on the website if the regulation requires it.
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Non-compliant		Non has happened
2. The Alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant		Non has happened

<b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interest are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.	Compliant		
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders,	compliant		
Recommendation 14.3			

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Non-compliant		Will consolidate one if the regulation requires.
<b>Principle 15:</b> A mechanism for employee participation should be developed to create symbiotic environment, realize the company's goals and participate in it corporate governance processes			
Recommendation 15.1			
1.Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance	Non-compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Policy.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Policy.pdf</a>	Will consolidate one if the regulation requires. But we have whistleblowing policy
Recommendation 15.2			
1.Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct.	Non-compliant		Will consolidate one if the regulation requires. But we have whistleblowing policy
2. Board disseminates the policy and program to the employees across the organization through trainings to embed them in the company's culture	Non-compliant		Will consolidate one if the regulation requires. But we have whistleblowing policy
Recommendation 15.3			
1. Board establishes a suitable framework for	compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Po">https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Po</a>	

whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation		licy.pdf	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns	compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Policy.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Policy.pdf</a>	
3. Board supervises and ensures the enforcement of the whistleblowing framework	compliant	<a href="https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Policy.pdf">https://www.fubon.com/financialholdings/en/governance/regulation/Fubon_Financial_Holding_Whistleblowing_Policy.pdf</a>	

**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Non-compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	
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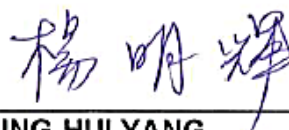
**CERTIFICATION**

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of CITY OF MANILA on the JUL 30 2021 2021.



**SHUN-CHIH YEH  
CHAIRMAN OF THE BOARD**



**MING-HUI YANG  
PRESIDENT**



**EVELYN UY  
CORPORATE SECRETARY**



**EVELYN UY  
CORPORATE GOVERNANCE  
COMPLIANCE OFFICER**

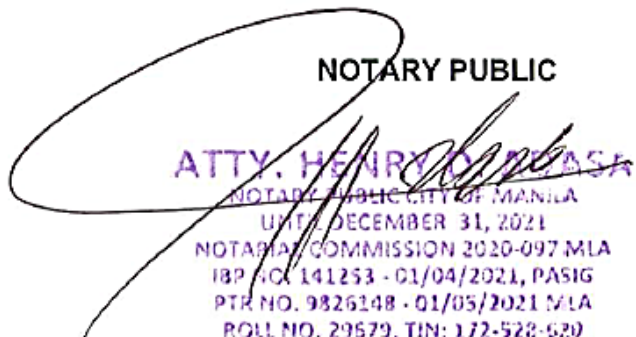
\_\_\_\_\_  
**INDEPENDENT DIRECTOR**

\_\_\_\_\_  
**INDEPENDENT DIRECTOR**

**SUBSCRIBED AND SWORN** to before me this JUL 30 2021 day of \_\_\_\_\_, 2021 by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. YEN, SHUN-CHIH	353310186	1/22/2020/Taiwan
2. YANG, MING-HUI	306311320	9/2/12012/Taiwan
3. UY, EVELYN	P4808428A	10/25/2017/DFA Manila

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**NOTARY PUBLIC**  
  
**ATTY. HENRY O. BASCAS**  
NOTARY PUBLIC CITY OF MANILA  
UNTIL DECEMBER 31, 2021  
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