

# **United Taiwan Bank S.A.**

## **Integrity Policy**

**Date: 12.05.2022**

## 1 Objectives

In order to foster a corporate culture of integrity management and sound development of United Taiwan Bank (the Bank or "UTB"), the Integrity Policy (the Policy) is specifically formulated.

## 2 Definition of the benefits

"The benefits" in the Policy means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name.

## 3 Definition of the Bank's personnel

The Bank's personnel in the Policy mean directors, supervisors, managers, employees, and mandatories of the Bank or persons having substantial control over the Bank.

The personnel of the Bank presumably acted as the personnel of the Bank by providing, promising, requesting or receiving any form or name of benefits from a third party.

## 4 Prevention of unethical conduct

When engaging in commercial activities, the Bank's personnel shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to the preceding paragraph include civil servants, political candidates, political parties or members of political parties, government-owned or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

## 5 Compliance of relevant laws or regulations and policies and procedures of the Bank

The Bank shall comply with the Belgian and EU laws and regulations as the underlying basic premise to facilitate integrity. <sup>1 2</sup>

The Bank personnel shall comply with laws and regulations when conducting business and adhere to the policies and procedures approved by the Bank.

---

<sup>1</sup> As to Fiscal Matters, it is the policy of the bank to act in an irreproachable way. The bank will not collaborate directly or indirectly with customers asking the bank to help them to avoid fiscal obligations. Reference is made on this to the NBB circular NBB 2021 17 and to the bank's fiscal prevention policy. The bank will furthermore avoid the establishment of special mechanisms as defined in the NBB circular NBB 2021 16 and also referred to in the bank's fiscal prevention policy. It is furthermore the bank's policy to prevent any complicity with a customer to effect fiscal fraud as defined in article 327&5 of the code of income taxes dated 1992 and in the Law of 02.06.2021 on combatting fraud.

<sup>2</sup> As to GDPR (General Data Protection Regulation), guidelines (in accordance with EU GDPR Regulation of 14 April 2016 and the Belgian GDPR Law of 05 September 2018) are in place which include the principles relating to Personal Data Protection, the rights of the data subjects, the data breach policy, the personal data destruction procedure and the international transfer of personal data. It is the policy of the Bank that all staff members should strictly follow the guidelines in irreproachable way.

**6 Corporate governance with integrity**

The Bank should formulate a policy, approved by the Board of Directors, based on integrity under a clean, transparent and responsible business philosophy, and establish good corporate governance and risk control mechanisms to create an operational environment for sustainable development.

**7 Disclosure**

The Bank shall request its Board of Directors and Senior Management to issue a Statement of Compliance with the Policy and require in the terms of the employment that the employees comply with such policy.

The Bank shall disclose the Policy and the Commitment of the Board of Directors and the Senior Management regard to the implementation of the Policy on its websites so that service providers, customers or other business-related institutions and personnel can clearly understand the Bank's integrity management philosophy and standards.

The Bank shall compile documented information on the Policy, the statement of compliance and the implementation of the Policy mentioned in the first and second paragraphs and retain said information properly.

**8 Conduct business with integrity manners**

The Bank shall engage in commercial activities in a fair and transparent manner based on the principle of integrity.<sup>3</sup>

The Bank shall avoid any dealings with persons whom have records involved in unethical conduct.

When entering into contracts with service providers, the Bank is advised to include the terms in such contract requiring compliance with the Policy and that in the event the service provider are involved in unethical conduct, the Bank may at any time terminate the contracts.

**9 Prohibition and collection of improper benefits**

When conducting business, the Bank and its personnel may not directly or indirectly offer, promise to offer, request, or accept any improper benefits, including rebates, commissions, facilitation payment, in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders, only if it is allowed by the laws or regulations in Belgium or the EU.

**10 Contribution to political matters**

The Bank's direct or indirect contributions to political parties or organizations

---

<sup>3</sup> The customer has therefore to be sure any complaint is handled in a professional and objective manner. A customer complaint procedure has been set up to this end handling customer complaints in order to implement the control of the reputational and operational risk and following thus good banking practices.

or individuals involved in political activities shall comply with the relevant law and shall not be used to obtain commercial benefits or trading advantages.

**11 Prevention of bribery**

Donations or sponsorships provided by the Bank shall be handled in accordance with internal operating procedures and relevant laws and regulations, and no bribes may be provided in disguise. <sup>4</sup>

**12 Prevention of infringement of intellectual property rights**

The Bank and its personnel shall abide by the intellectual property related laws and regulations, the company's internal operating procedures and contractual provisions; without the consent of the intellectual property rights holder, they shall not use, leak, dispose of, damage or otherwise infringe intellectual property rights.

**13 Prohibition of unfair competition**

The Bank shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish limits in production and quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

**14 Prevent goods or services from harming interested parties**

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Bank and its personnel shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

**15 Prohibition of unreasonable gifts, entertainment or other improper benefits**

The Bank and its personnel shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

**16 The patterns of the benefits**

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, money, endowments, services, preferential treatment, hospitality, entertain or other benefits, UTB and its personnel shall comply with the relevant laws or regulations in Belgium or EU and the Policy shall have been carried out:

---

<sup>4</sup> Specific reference is made to the Belgian Law of 10 February 1999 on the repression of corruption. Corruption carries heavy fines: private individuals face fines and prison terms between 6 months and 2 years. The Law of 10 February 1999 not only holds the individuals accountable but also the company for which they work. The staff should refrain at all times from bribery as described above.

- (1) Those who comply with the laws and regulations of the place of operation.
- (2) The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
- (3) The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
- (4) Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- (5) Attendance at folk festivals that are open to and invite the attendance of the general public.
- (6) Rewards, emergency assistance, condolence payments, or honorariums from the management.
- (7) Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations.
- (8) Other conduct that complies with the rules of UTB.

**17 The procedures of receiving benefits**

Except under any of the circumstances set forth in Article 16, when UTB and UTB personnel are provided with or are promised, either directly or indirectly, money, endowments, services, preferential treatment, hospitality, entertain or other benefits 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 UTB's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the Management Committee shall be notified if necessary.
- (2) If a relationship of interest does exist between the party providing or offering the benefit and the official duties of UTB's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the Management Committee. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to Management Committee for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of UTB'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 UTB's business, or

the execution or non-execution of business, will result in a beneficial or adverse impact.

Management Committee shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the Chairman.

#### **18 Periodical report to the Board**

The Board of Directors of UTB shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, Management Committee shall report the implementation of the Policy to the Board of Directors on a regular basis at least once a year.

#### **19 Conflict of interests**

When a director, supervisor, officer or other stakeholder of the Bank attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Bank would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

The Bank's personnel shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.<sup>5</sup>

#### **20 Confidentiality of business secrets**

All units of the Bank shall implement the management, preservation and confidentiality of the Bank's business secrets or know-how to ensure the continued effectiveness of the confidentiality mechanism.

#### **21 Non-disclosure of business secrets**

The Bank's personnel shall strictly abide by the relevant business secrets of the Bank, shall not disclose the Bank's trade secrets known to others, and shall not inquire or collect non-job related Bank's trade secrets.

---

<sup>5</sup> Furthermore, clear internal rules have been set for the Directors and the Managers of UTB with regard to the carrying out of external functions. External functions should not result for the directors and the managers in being exposed to possible conflicts of interest. These internal rules are based on the Royal Decree of 20 June 2012, implementing the regulations of the NBB of 6 December 2011 and on the Banking Law of 25 April 2014, articles 62 and 355.

**22 Prevent insider trading**

The Bank's personnel shall abide by the provisions of the Securities and Exchange Act of Republic of China (Taiwan) and the Belgian and EU laws and shall not use known undisclosed information to engage in insider trading or disclose it to others to prevent others from using the undisclosed information to engage in insider trading.

**23 Non-disclosure agreement**

Other institutions or personnel involved in the Bank's mergers, divisions, acquisitions and share transfers, important memoranda, strategic alliances, other business cooperation plans or important contracts should sign confidentiality agreements with the Bank and promise not to disclose the Bank's knowledge of the Bank Trade secrets or other material information to others, and the information may not be used without our consent.

**24 Accounting and internal control**

The Bank shall establish an effective accounting system and internal control system (including compliance) in order to detect business activities with a high risk of dishonesty. It shall not have external accounts or keep secret accounts, and shall review it at any time to ensure that the design and implementation of the system are continuously effective.

The internal auditor of the Bank shall periodically examine the Bank's compliance with the foregoing systems and prepare audit reports and submit the same to the compliance officer and the Audit and Risk Committee. The audit reports shall also be submitted to the Board of Directors.

**25 Communication and Training**

The chairman, managing directors, or senior management of the Bank shall communicate the importance of integrity to the Bank's personnel on a regular basis.

The Bank shall periodically organize training and awareness programs for its managers and employees.

The Bank shall incorporate the Policy with its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

**26 Reporting System**

The Bank shall establish and publicly announce an independent mailbox or hotline to allow the insiders and outsiders to submit reports. Anyone who discovers that the Bank's staff violates the Policy shall immediately report it to the Compliance Officer. Confidentiality of the identity of whistle-blowers and the content of reported cases. <sup>6</sup>

---

<sup>6</sup> Reference is made to the UTB Whistleblowing policy, set up in accordance with Article 34-2 of

The case reported in the preceding paragraph may be verified by internal audit if necessary. Where the verification is true, the Bank shall handle it in accordance with relevant disciplinary measures. If a major violation is found after investigation or the Bank is in danger of serious damage, a report shall be made immediately in writing to the independent directors.

**27 Appealing System**

The Bank shall adopt and publish internally a well-defined disciplinary and appeal system for handling violations of the Policy.

The Bank shall disclose internally, after the process of de-identification, the details of the violation and the actions taken in response.

**28 Review**

The Bank shall consider its business scale, complexity, and risk profile, at all times monitoring the development of relevant local and international regulations concerning integrity and encourage their directors, managers, and employees to make suggestions, based on which the adopted Policy will be reviewed and improved with a view to achieving better implementation of integrity. The Policy should be reviewed periodically and at least once a year.

**29 Approval**

The Policy and any amendments hereto, shall be implemented after adoption by resolution of the board of directors.

---

the “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries” of the Financial Supervisory Commission of the ROC and Article 21, § 1, 8° of the Belgian Banking Law.