

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

## **Integrity Policy**

**Date: 25.03.2020**

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.

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

6 **Corporate governance with integrity**

The Bank should formulate a policy 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 disclose 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.

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.

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 integrity 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 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.

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:

- (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 responsible unit 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 integrity policy to the Board of Directors on a regular basis.

#### **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.

**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.

**22 Prevent insider trading**

The Bank's personnel shall abide by the provisions of the Securities Exchange Law 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 the Bank's 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, the Audit and Risk Committee and 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 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 Whistleblowing**

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.

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 Integrity Policy.

**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 integrity 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.