

Audit Committee Charter of CSBC Corporation, Taiwan

Approved at the 16th meeting of the 14th Board of Directors
on May 9, 2013

The first amendment was accomplished in the 9th Board meeting of the 16th
Board of Directors on November 3rd, 2017

Article 1 This Charter is formulated pursuant to Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 2 This Audit Committee's (hereinafter referred to as the "Committee") number of members, term of office, powers of office, rules of procedure for meetings, and resources to be provided by the company when the committee exercises its powers shall comply with the provisions in this Charter, unless otherwise stipulated by law.

Article 3 The Committee is run for the major objective of supervising the following:

1. Proper presentation of the company's financial statements.
2. Selection, appointment and dismissal of the CPAs, as well as their independence and performance.
3. Effective implementation of the company's internal control.
4. The company's compliance with the relevant laws and regulations.
5. Management and control of the company's existing or potential risks.

Article 4 This Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.

Independent directors in this Committee shall serve a three-year term, and re-appointment is allowed if re-selected. In case of a member being dismissed for a reason, leading to the number of committee members falling short of the requirement in the previous article or the provision in this Charter, a by-election shall be carried out in the next nearest shareholders' meeting. If all independent directors are dismissed, the company shall convene an interim shareholders' meeting within 60 days of the occurrence of the incident for a by-election.

Article 5 Powers of office to be exercised by supervisors pursuant to the Securities and Exchange Act, Company Act and other laws and regulations shall be exercised by the Committee, except the powers set out in Paragraph 4, Article 14-4 of the Securities and Exchange Act. Provisions concerning supervisors' behaviors or acting as the company's representative in Paragraph 4, Article 14-4 of the Securities and Exchange Act shall apply to independent directors in the Committee as well.

Article 6 Powers of office of the Committee include:

1. Formulation or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

- 2.Appraisal of the effectiveness of internal control system.
- 3.Formulation or amendment of the rules governing the procedures of handling major financial actions such as acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, endorsements or guarantees for others, pursuant to Article 36-1 of the Securities and Exchange Act.
- 4.Matters relating to directors' personal interests.
- 5.Substantial transactions of assets or derivatives.
- 6.Substantial monetary loans, endorsements or guarantees.
- 7.Offering, issuance or private placement of equity-type securities.
- 8.Appointment, dismissal or remuneration of the CPAs.
- 9.Appointment and dismissal of the heads of finance, accounting or internal audit.
- 10.Annual financial statements and semi-annual financial statements.
- 11.Other major issues specified by the company or the competent authority.

Decisions concerning the abovementioned events shall be made with the consent of at least half of all Committee members, and be brought up in the Board of Directors' meeting for resolution.

For all items in Paragraph 1, except Item 10, resolution can be made with the consent of at least two-thirds of all directors, if the consent of half of the Committee members is not obtained.

"All members" as referred to in this Charter mean those who are actually serving in office. The Committee's convener shall represent the Committee to outsiders.

Article 7 The Committee shall convene a meeting at least once per quarter, and interim meetings may be convened from time to time depending on actual needs.

The reasons for calling a meeting of the ommittee shall be notified to each independent director member at least 7 days in advance. In emergency circumstances, however, this requirement does not apply.

One member shall be elected as the convener and meeting chair by and from among the entire membership of the committee. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director member designated by the convener, or if no such designation is made, by another member elected by and from among the independent director members of the committee.

The committee may by resolution request relevant department officers, internal auditors, certified public accountants, legal counsels, or other personnel to attend the meeting as nonvoting participants and provide pertinent and necessary information; provided, they shall leave the meeting when deliberation or voting takes place.

When the committee convenes a meeting, the manager department shall prepare the relevant materials for inspection by the directors attending the meeting at any time.

Article 8 When an committee meeting is held, the company shall have an attendance book ready for

signature by the independent director members attending the meeting and thereafter keep it available for future reference.

All independent director members on the Committee shall attend committee meetings in person; a member who cannot attend in person may appoint another independent director member to attend as their proxy. Attendance via tele- or video-conference is deemed attendance in person.

A member of the Committee appointing another independent director member to attend a committee meeting shall in each instance give to that director a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the committee shall be adopted with the consent of one-half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold an committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire board of directors. Notwithstanding the foregoing, with respect to the matters in Article 6, paragraph 1, subparagraph 10, of the Act, a written opinion shall be obtained from each independent director member indicating approval or disapproval.

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

Article 9 Discussions at an audit committee meeting shall be included in the meeting minutes, which shall faithfully record the following:

1. Session, time, and place of meeting.
2. Name of meeting chair.
3. Attendance of independent director members at the meeting, specifying names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as a nonvoting participant.
5. Name of minutes taker.
6. Matters reported.
7. Agenda items: Resolution method and result of each proposal; summary of the comments made by the independent director members on the audit committee and the experts and any other persons present at the meeting; the name of any independent director member possibly having an interest relationship as referred to in paragraph 1 of the article 11, the essential content of the interest, the reasons why the director was required or not required to enter recusal, and the status of the recusal; and any objections or reservations expressed at the meeting.
8. Extraordinary motions: Name of the mover; the resolution method and result of each proposal; summary of the comments made by the independent director members on the audit committee and the experts and any other persons present at the meeting; the name of any independent director member

possibly having an interest relationship as referred to in paragraph 1 of the article 11, the essential content of the interest, the reasons why the director was required or not required to enter recusal, and the status of the recusal; and any objections or reservations expressed at the meeting.

9. Other matters required to be recorded.

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

The minutes of an audit committee meeting shall bear the signature or seal of both the meeting chair and the minutes taker, and a copy shall be distributed to each independent director member on the committee within 20 days after the meeting and be carefully preserved as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be made in electronic form.

Article 10 Agenda of the Committee's meetings shall be compiled by the convener. Other members may also propose motions to be discussed in the Committee.

Article 11 If an independent director member of the Committee has a personal interest in any agenda item, the director shall explain the essential content of the interest. If the director's personal interest is likely to prejudice the interest of the company, the director member may not participate in discussion and voting, and shall recuse himself or herself from the discussion and voting, and also may not exercise voting rights as a proxy for any other independent director member.

Where a matter is unable to be resolved at a committee meeting for the reason stated in the preceding paragraph, the fact shall be reported to the board of directors and the matter shall be resolved by the board instead.

Article 11-1 A company shall record on audio or video tape the entire proceedings of an audit committee 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 an audit committee meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where an audit committee meeting is held by video conference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be well preserved for the duration of the existence of the company.

Article 12 The Committee may, upon a resolution, appoint lawyers, accountants or other professionals to conduct the necessary examination or provide advices on matters relating to the provision in Article 6. The costs thus arise shall be borne by the company.

Article 13 The Committee members shall exercise due care of a good manager, faithfully perform the duties laid down in this Charter, and be accountable to the Board of Directors. They shall also submit their proposals to the Board of Directors for resolution.

Article 14 The Committee shall review matters relating to this Charter regularly, and submit them to the Board of Directors for amendment.

Execution work relating to resolutions made by the Committee may be entrusted to the convener or other Committee members for follow up. During the period of execution, the entrusted person shall report to the Committee in writing or orally, and the report shall be submitted to the Committee for retroactive endorsement or presentation in the next meeting when necessary.

Article 15 This Charter shall be deliberated and passed by the Board of Directors; the same applies to its amendment.

Article 16 This Charter shall come into effect and be implemented on the day when the 15th Board of Directors is inaugurated.

*This English version is a translation of Audit Committee Charter of CSBC Corporation in Chinese. In case of any discrepancy, the Chinese version shall prevail.