

Yuanta Financial Holding Company and Subsidiaries
Guidelines of Supplier Management

Approved by the Chief Executive Officer on January 21, 2019
Amendments approved by the Chief Executive Officer on February 3, 2023
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Article 1

In order to manage the communication between the Company and its subsidiaries (hereinafter referred to as “each company”) with suppliers, so that the quality of procurement can be improved and corporate social responsibility jointly advocated with suppliers, these Guidelines are specially formulated.

Article 2

The selection of suppliers shall be handled by each company’s administrative department or purchasing unit; evaluations may be conducted on an annual basis.

Article 3

The selection and evaluation of suppliers shall be handled in accordance with the following regulations:

(1) Selection before procurement:

- I. For a single transaction of more than NTD 20,000, each supplier shall meet the following eligibility requirements:
 - (I) The supplier must have been registered with a government agency, such as holding a company change registration form, tax registration or other supporting documents for industrial and commercial registration.
 - (II) The supplier has accepted Yuanta Group’s terms and conditions of integrity management, sustainable procurement guidelines, and other related information.
 - (III) There is no public record of unethical conduct in the Judicial Yuan regarding bribery or illegal political donations in the most recent year.
- II. If one or more of the directors of the board, supervisors, or chief executive officers of the suppliers who intend to participate in the transaction concurrently holds the positions, the reasons shall be stated when the purchase is initiated, and the transaction can only be processed after approval.

(2) Evaluation after procurement:

- I. For suppliers who meet the following circumstances, the Company’s Administration Department will coordinate the implementation of

evaluation matters for each company:

- (I) Those with the largest cumulative transaction amount in the previous year ranked among the top 150 companies in the entire Yuanta Group.
 - (II) Those with the top five largest cumulative transaction amounts in the previous year with each subsidiary.
 - (III) Each company's new suppliers in the previous year.
- II. Evaluation items may include supplier quality, price, service, reputation, sustainable development, etc.
- III. Suppliers shall cooperate to comply with the following relevant regulations of each company, and their compliance will be listed as a reference for evaluation:
- (I) Integrity management regulations.
 - (II) Confidentiality regulations.
 - (III) Personal data protection regulations.
 - (IV) Regulations related to sustainable development.
 - (V) Regulations related to information security.

Article 4

Each company may publicly commend suppliers with excellent evaluation results. In the subsequent procurement cases, when conducting price comparison, negotiation or other supplier selection procedures, if there are other selection conditions that are equivalent, the supplier with excellent evaluation results may be given priority. For suppliers whose evaluation results are "under observation," the reasonableness of the transaction or procurement shall be carefully evaluated. Those whose evaluation results are "under observation" for three consecutive times, each company may refuse to associate with them. If a supplier violates the relevant provisions of Subparagraph 3 of Paragraph 2 of the preceding Article or involves a violation of the sustainable development policy and has a significant impact on the environment and society, each company shall refuse to associate with the supplier.

Article 5

These Guidelines, and any amendments to them, shall be implemented upon approval by the Chief Executive Officer.