

## Board of Directors

A total of 7 (A) meetings of the Board of Directors were held in the previous period. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Hung-Ching Yung	7	0	100%	
Managing Director	Stephen Ching-Yen Lee	7	0	100%	
Managing Director	Yih-Pin Chen	7	0	100%	
Director	Lincoln Chu-Kuen Yung	7	0	100%	
Director	Kar-Wah Cheng	7	0	100%	
Director	John Con-Sing Yung (Representative: Magnetic Holdings Limited)	7	0	100%	
Director	George Chao-Chi Gu	6	1	85.71%	
Director	Yi-Jen Chiou	7	0	100%	
Director	Shan-Chung Chen	7	0	100%	
Independen t Managing Director	Yung-San Lee	7	0	100%	
Independen t Director	Miles King-Hu Hsieh	7	0	100%	
Independen t Director	Mu-Tsai Chen	7	0	100%	

Other mentionable items:

1. When the directors' meetings encounter any of the following circumstances, the meeting date, ordinal number of session, content of agenda item, opinions of every Independent Director and SCSB's handling of such opinions shall be recorded:

(1) Matters as provided by Article 14-3 of the Securities and Exchange Act: None.

(2) In addition to the foregoing, there were other matters to be resolved by directors' meetings about which an Independent Director expressed objections or reservations that were included in records or stated writing: None.

2. Practice of Directors' avoidance of motions in conflict of interest:

Name	Content of Motion	Cause of Avoidance	Voting
Hung-Ching Yung Yih-Pin Chen Lincoln Chu-Kuen Yung	Lending to related-party Silks Place Taroko	Motion concerning personal	Refrained from participation

Kar-Wah Cheng John Con-Sing Yung Yi-Jen Chiou		interests of the director	in discussions and voting
Hung-Ching Yung Lincoln Chu-Kuen Yung John Con-Sing Yung	Lending to related-party Hung Sheng Co. Ltd.	Motion concerning personal interests of the director	Refrained from participation in discussions and voting
Hung-Ching Yung Stephen Ching-Yen Lee Lincoln Chu-Kuen Yung John Con-Sing Yung George Chao-Chi Gu	Release of managers from non-competition restrictions	Motion concerning personal interests of the director	Refrained from participation in discussions and voting
Hung-Ching Yung Lincoln Chu-Kuen Yung John Con-Sing Yung Shan-Chung Chen	Merger of 100% owned subsidiaries: SCSB Life Insurance Agency and SCSB Property Insurance Agency	Motion concerning personal interests of the director	Refrained from participation in discussions and voting
Hung-Ching Yung Yih-Pin Chen Lincoln Chu-Kuen Yung John Con-Sing Yung	Leasing space on 3F & 4F of No. 155 ZhongShan N. Road, Sec. 2, Taipei City to related-party SCSB Cultural & Educational Foundation	Motion concerning personal interests of the director	Refrained from participation in discussions and voting
Hung-Ching Yung Stephen Ching-Yen Lee Yih-Pin Chen Lincoln Chu-Kuen Yung Kar-Wah Cheng John Con-Sing Yung George Chao-Chi Gu Yi-Jen Chiou Shan-Chung Chen	2018 directors' remuneration distribution plan	Motion concerning personal interests of the director	Refrained from participation in discussions and voting
Hung-Ching Yung Lincoln Chu-Kuen Yung John Con-Sing Yung Shan-Chung Chen	2018 managers' employee compensation distribution plan	Motion concerning personal interests of the director	Refrained from participation in discussions and voting
Hung-Ching Yung Lincoln Chu-Kuen Yung John Con-Sing Yung	Leasing partial space on the 2F-1 of No. 319 Bade Road, Sec. 4, Taipei City to related-party SCSB	Motion concerning personal interests of the director	Refrained from participation in discussions and voting

	Asset Management Ltd.		
Hung-Ching Yung Yih-Pin Chen Lincoln Chu-Kuen Yung Kar-Wah Cheng John Con-Sing Yung Yi-Jen Chiou Shan-Chung Chen	Lending to related-party China Travel Service (Taiwan) Limited	Motion concerning personal interests of the director	Refrained from participation in discussions and voting

3. Implementation of the Board Performance Assessment:

Cycle	Duration	Scope	Method	Content
Implemented once a year	2019/1/1~2019/12/31	1. Board of Directors 2. Functional Committees 3. Performance of individual directors	1. Self-assessment by the Board of Directors 2. Self-assessment by the functional committees 3. Self-assessment by Board members	1. The Board Performance Assessment consists of 45 items under the 5 dimensions, as follows: degree of participation in SCSB operations; quality of board decisions; board composition and structure; election and continuing education of directors; and internal controls. 2. The Functional Committees Performance Assessment consists of 19-24 items according to the nature of individual committees

				<p>under 5 dimensions as follows: degree of participation in SCSB operations; knowledge of functional committee duties; quality of functional committee decisions; functional committee composition and member election; and internal controls.</p> <p>3. Individual Director Performance Assessment consists of 23 items under 6 dimensions, as follows: grasp of SCSB's targets and missions; understanding of a director's duties; degree of participation in SCSB operations; internal relationship management and</p>
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				communicati on; director's specialty and continual development ; and internal controls.
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※ Assessment results summary:

- (1) This assessment adopted a 5-point scale for grading.
  - (2) Board Performance Assessment: The average score for the directors' performance in actively participating in SCSB operations, paying attention to SCSB's strategic and developmental directions, and establishing appropriate and effective internal control systems, is 4.69.
  - (3) The Functional Committees Performance Assessment:
    - A. The average score for the Audit Committee is 4.96.
    - B. The average score for the Remuneration Committee is 4.86.
    - C. The average score for the Risk Management Committee is 4.88.
    - D. The average score for the Nomination Committee is 4.86.
  - (4) The average score for the directors' performance is 4.79.
  - (5) The results of the assessment will be submitted to the Board of Directors after being reviewed by the Nomination Committee, and shall serve as a reference for the election or nomination of directors. The results of individual director assessments shall serve as a reference for determining the remuneration for individual directors.
4. Measures taken to strengthen the functionality of the Board:
- (1) Directors have had corporate governance-related courses in the current year and the previous years. In 2019, Directors attended the Corporate Governance Forum - Director/Supervisor Equity and Corporate Governance Legal Compliance and the Corporate Governance Forum - International Trends in and Latest Amendments to Laws and Regulations on Money Laundering Control and Combating the Financing of Terrorism courses offered by the Taiwan Academy of Banking and Finance. Relevant courses will be planned in the future, with the goal of bolstering the functionality of the Board of Directors.
  - (2) Pursuant to the Company Act and the Banking Corporate Governance Best Practice Principles, SCSB amended the Articles of Incorporation to specify the division of power and responsibilities between the shareholders' meeting and the Board of Directors. SCSB has established a Remuneration Committee on July 1, 2014, an Audit Committee on June 5, 2015, a Risk Management Committee and a Nomination Committee on July 1, 2016 to enhance the operating efficiency and decision-making capability of the Board of Directors.
  - (3) Information on the financial businesses is available on the SCSB website and the MOPS as required by law.
5. Board diversity policy:
- In accordance with the SCSB Articles of Incorporation, SCSB appoints nine to fifteen directors to form the Board of Directors. The directors are elected by the

shareholders from a candidate nomination list in accordance with the nomination policy. The number of independent directors shall be no less than three or no less than one fifth of the total number of directors, whichever is higher. SCSB nominated the 20th Board of Directors candidates based on consideration of the overall operating environment, development strategies, international competition, and other factors, as well as on examination of individual qualifications including age and various competencies such as nationality, operational judgment, accounting and financial analysis, operational management, risk management, crisis management, knowledge of the industry, international market vision, leadership, and decision-making abilities. After the candidate list was discussed by the Nomination Committee and the Board of Directors, 12 directors, among whom 3 are independent directors, were elected for the 20th Board of Directors by the shareholders at the General Shareholder's Meeting on June 15, 2018.