

O-Bank Co., Ltd. Corporate Social Responsibility Best

Practice Principles

22 June 2016: Approved and implemented by the Board of Directors of O-Bank.

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Chapter 1 General principles

Article 1 Based on the faith of "Fulfilling Oneself by Benefiting Others," O-Bank fulfills our corporate social responsibilities (CSR) by fostering the sustainability of economy, society, and environment. Toward this end, O-Bank hereby adopts the "O-Bank Co., Ltd. Corporate Social Responsibility Best Practice Principles," which were drafted with reference to the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies."

Article 2 O-Bank strives to maintain the interests of stakeholders and employs a diverse range of channels to collect and respond to CSR issues of concern to stakeholders. Moreover, while seeking sustainable business operations and profits, O-Bank shall also incorporate CSR issues into our corporate governance policy and our routine operations in order to keep in step with international development trends and make a greater contribution to the national economy.

Article 3 O-Bank, acting in accordance with the materiality principle, shall carry out environmental, social, and governance (ESG) risk assessments, adopt related management policies and strategies, and pursue sustainable business practices by fulfilling the following five main aspects of CSR:

1. Corporate Governance
2. Employee Care
3. Customer Relationships
4. Environmental Protection
5. Social Engagement

Article 4 To ensure sound CSR management, O-Bank has established a Sustainable Development Section under Corporate Communications Department. Also, acting in accordance with the "Organizational Charter for the Corporate Social Responsibility Committee," O-Bank has set up a Corporate Social Responsibility Committee, which is composed of the supervisors of relevant company units, to be responsible for drafting and implementing CSR policies and plans in Corporate Governance, Employee Care, Customer Relationships, Environmental Protection, and Social Engagement and periodically reporting to the Board of Directors on our work.

Article 5 The O-Bank Corporate Social Responsibility Code, which underpin Corporate Social Responsibility Best Practice Principles, are the following:

1. Adhere to integrity, and realize our corporate culture of "Always Sincere, Always Here" in relationships with employees, clients, shareholders, public society, and all stakeholders.
2. Commit to sustainable business and strive to maximize shared value for employees, clients, shareholders, and all stakeholders.
3. Uphold the law, value corporate governance, and effectively manage risks.
4. Work to balance employees' work and life, provide them with high-quality care, multifaceted talent development plans, and a comfortable and safe work environment.
5. Promote our corporate culture, value teamwork, build a warm, cooperative, and friendly workplace, and give employees a sense of belonging, happiness, and mission.
6. Provide delicate service, enhance professional value, and grow up with our clients, to make contributions to the economy and industry, and further create a win-win situation.
7. Actively promote and lead innovation in O-Bank, industry, and society.
8. Value and continue to implement environmentally friendly policies.
9. Carry out social engagement work including arts and education activities, as well as community and student outreach programs, and sponsor and direct employees to be committed to social engagement.

Chapter 2 Implementation of Corporate Governance

Article 6 O-Bank shall, out of respect for the rights and interests of stakeholders,

identify our stakeholders and establish a designated section for stakeholders on our website; understand the reasonable expectations and demands of stakeholders through proper communication and stakeholder engagement; and adequately respond to the important CSR issues about which stakeholders are concerned.

Article 7 O-Bank, acting in line with the spirit of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," and the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies," shall establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 8 All employees at O-Bank shall together comply with the "Ethical Corporate Management Code" and put an end to illegal activity by acting in line with the core values of Trust, Outstanding, Unity, Creativity, and Honor.

Article 9 The Directors of O-Bank shall exercise the duty of due care, urge O-Bank to fulfillment our CSR, critically assess the effectiveness of actions, and push O-Bank for making ongoing improvements to ensure the fulfillment of our CSR. It is also advisable that O-Bank fully consider stakeholders' interests by taking various actions, including the following:

1. Make CSR the guiding principle of O-Bank 's operations and development.
2. Identify O-Bank 's CSR mission, vision and value, and formulate CSR policy declaration.
3. Ensure the suitability of CSR-related information disclosures.

The Board of Directors shall authorize senior executives to handle economic, environmental, and social issues resulting from the business operations of O-Bank, and require them to report the status of the handling to the Board of Directors. The handling procedures and the selection of authorized persons shall be determined by O-Bank 's Corporate Social Responsibility Committee.

Article 10 O-Bank is advised to adopt reasonable remuneration policies to ensure that remuneration arrangements support the strategic aims of the organization

and align with the interests of stakeholders, and it is also advisable that CSR policies be reflected in the employee performance evaluation system.

Article 11 O-Bank shall disclose information in accordance with relevant legislation and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and fully disclose relevant and reliable information relating to the O-Bank CSR to improve information transparency. CSR-related information which O-Bank shall disclose includes:

1. CSR governance mechanisms, strategies, policies, and management guidelines as well as concrete plans for promotion, as approved by resolution of the Board of Directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising and promoting corporate governance, fostering a sustainable environment, and preserving the public interest.
3. CSR goals and measures adopted by O-Bank, and performance in our implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to CSR.

Article 12 In conducting business operations, O-Bank shall comply with applicable legislation and carry out the following matters in order to create a fair competitive environment:

1. Avoid taking actions that undermine fair competition.
2. Properly discharge tax obligations.
3. Oppose bribery and corruption, and establish appropriate management systems.
4. Ensure that corporate donations are made in accordance with internal operating procedures.

Article 13 O-Bank shall, as necessary, hold company-wide business ethics training sessions to promote the preceding Articles, as well as incorporate the Articles into employee performance evaluations in order to establish a clear and effective conduct standard of rewards and penalties.

Article 14 O-Bank is advised to regularly organize education and training on the

fulfillment of CSR.

Chapter 3 Ensuring proper employee care

Article 15 O-Bank shall comply with applicable labor legislation, safeguard the lawful interests of employees, and establish appropriate management methods and procedures in accordance with internationally recognized labor law in order to avoid abuses of fundamental labor rights. Human resource policies shall respect principles for the protection of fundamental labor rights, and establish appropriate management methods and procedures for the rights, to include the following:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of O-Bank 's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, O-Bank shall disclose the processes for handling of the matter with respect to the stakeholders involved.

O-Bank shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of employees, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed, and O-Bank shall respond to any employee's grievance in an appropriate manner.

Article 16 O-Bank shall provide information for employees so that the employees have knowledge of the labor laws and the rights in the countries where O-Bank operations.

Article 17 O-Bank shall provide employees a work environment where they enjoy equality of rights and are free of discrimination and harassment.

Article 18 O-Bank shall endeavor to provide employees a safe and healthful work environment, including offering necessary health and first-aid facilities, regularly organizing training on safety and health, and curbing dangers to

employees' safety and health in order to prevent occupational accidents.

Article 19 O-Bank shall endeavor to create an environment conducive to the development of employees' careers and establish effective training programs to foster their careers.

Article 20 O-Bank shall establish and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and appropriately reflect the business performance or achievements in employee remuneration policies, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 21 O-Bank shall establish a platform to facilitate regular two-way communication with employees, to provide employees with opportunities to obtain information on our operations, management, and policy plans and express their opinions on such matters. O-Bank shall also respect employee representatives' rights to bargain on working conditions, and shall provide employees with necessary information and equipment, so as to improve the negotiation and cooperation between the employer, employees, and employee representatives. In addition, O-Bank shall, by reasonable means, inform employees of operation changes that might have material impacts.

Chapter 4 Enhancement of customer relationships

Article 22 In line with our corporate culture of "Always Sincere, Always Here," O-Bank has adopted relevant strategies and measures to fulfill the principle of fair policy, to treat customers in a fair and reasonable manner and to provide customers with trustworthy, professional, and convenient financial services.

Article 23 When O-Bank conducts business and provides services, it shall comply with legislation and the competent authority's rules, carry out assessments of legality, and ensure the quality of products and services in order to safeguard customer interests. In addition, O-Bank shall assume product liability, observe marketing ethics, ensure the transparency and safety of products and services, and establish and disclose policies on customer rights and interests in order to prevent the products or services from adversely impacting the rights and interests of customers. At the same

time, O-Bank shall also abide by relevant legislation and international guidelines in regard to customers' health, safety, and privacy, as well as when involved in marketing and labeling, and it shall not deceive, mislead, commit fraud, or engage in any other acts which would undermine customer trust or damage customers' rights or interests.

Article 24 O-Bank is advised to incorporate sustainability concepts regarding environmental, social, and governance (ESG) into product designs and service planning; to tap into our core competencies to provide products and services capable of fulfilling the O-Bank CSR; and to regularly report on the state of efforts to report products and services to the Corporate Social Responsibility Committee for deliberations.

Article 25 O-Bank shall provide a clear and effective channel for accepting customer complaints, handle customer complaints in a fair and timely manner, and comply with the "Personal Information Protection Act" and related legislation in order to respect customers' privacy rights and protect their personal information.

Article 26 O-Bank is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on customers and society.

Chapter 5 Fostering a sustainable environment

Article 27 In the business operations and internal management, O-Bank shall comply with the provisions of environmental legislation and international standards to properly protect the environment, and endeavor to promote a sustainable environment.

Article 28 O-Bank shall endeavor to establish proper environmental management systems based on the characteristics of our industry. Tasks addressed under such environmental management systems shall include the following:

1. Collecting sufficient and up-to-date information to evaluate the impact of our business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and regularly examining to determine the maintainability and relevance of such goals.
3. Adopting enforcement measures such as concrete plans or action plans,

and regularly examining the results of implementation.

Article 29 O-Bank is advised to assess the impact of procurement activity on the society and environment of communities that it procures from, and cooperate with our suppliers to jointly fulfill CSR. In addition, O-Bank is advised to establish supplier management policies and request that suppliers comply with rules governing issues such as environmental protection, occupational safety and health, or labor rights. Prior to engaging in commercial dealings, O-Bank is advised to assess whether there is any record of a supplier's operations having an impact on the environment and society, and avoid conducting transactions with those that violate our CSR policies. And when O-Bank enters into a contract with any of our major suppliers, the content should include terms stipulating mutual compliance with CSR policies, and providing that the contract may be terminated or rescinded any time if the supplier has violated such policies in a way that has caused a significant negative impact on the environment and society of the community of the supply source.

Article 30 O-Bank shall endeavor to utilize resources more efficiently and use recyclable materials, which have a low impact on the environment, to ensure that the Earth's resources can be used sustainably.

Article 31 O-Bank shall compile statistics on greenhouse gas emissions, water consumption, and total weight of waste, and adopt policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption, and management of other wastes. In addition, O-Bank shall also construct and improve environmental protection treatment facilities to avoid polluting water, air, and land, and use our best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 32 O-Bank is advised to assess the current and future potential risks and opportunities that climate change may present, to adopt climate-related measures, and to conduct corporate greenhouse gas inventories and disclosures. Based on business conditions and the results of greenhouse gas inventories, O-Bank is also advised to adopt strategies for energy conservation and reduction of carbon and other greenhouse gases in order to reduce the environmental impact of our operations.

Article 33 O-Bank is advised to establish a dedicated unit or assign dedicated personnel to draft, promote, and maintain relevant environment management systems and concrete action plans, and to periodically hold environment education courses for managerial officers and other employees.

Article 34 Through ongoing communication with stakeholders regarding the importance of environmental protection issues, O-Bank shall establish and deepen the environmental consciousness of employees, customers, suppliers, and members of the public, and regularly disclose our efforts to implement environmental protection and the results thereof in CSR reports.

Chapter 6 Promotion of social engagement

Article 35 Acting in accordance with our philosophy of "Fulfilling Oneself by Benefiting Others," O-Bank has tapped into group-wide resources to take active part in social service activities, including showing concern for the underprivileged and supporting artistic and cultural events in an effort to create a society where people are helpful and compassionate toward one another. Also, through commercial activities, donations, employee volunteerism, and the provision of charitable professional services, O-Bank directs resources toward organizations that resolve social or environmental issues in the course of business activities; and participates in events held by citizen organizations, charities, and local government agencies involved in community development and community education. In these ways, O-Bank promotes community development.

Article 36 O-Bank mobilizes employees to take part in volunteer services and encourages individuals to participate in community service activities in an effort to spread love and achieve the vision of spurring the emergence of a kinder and better society.

Article 37 O-Bank supports land-friendly groups that promote environmental sustainability, and endeavors to assist the development of social enterprises and related community service platforms.

Article 38 O-Bank shall tap into the power of its local business presence and evaluate

the impact of our business operations on the community, and seek to hire locally whenever appropriate so as to enhance community acceptance.

Chapter 7 Supplementary provisions

Article 39 O-Bank shall regularly monitor the development of CSR practices and changing business environments, both locally and globally, and adjust CSR policies and action plans accordingly, in order to enhance the results of our fulfillment of CSR.

Article 40 O-Bank shall regularly prepare internationally accredited CSR reports to disclose the status of implementation of our CSR. It is also advised to obtain third-party assurance or verification for reports to enhance the transparency and reliability of the information in the reports. It is advisable that the reports include, without limitation, the following:

1. The systemic framework, policies, and action plans for fulfilling CSR.
2. Major stakeholders and their concerns.
3. Results of and future prospects for the implementation and promotion of corporate governance, environment sustainability, public interest preservation, and economic development.
4. Future improvements and goals.

Article 41 These Best Practice Principles, and any amendments hereto, shall be implemented after being adopted by resolution of the Board of Directors, and then reported at a shareholders meeting. In addition, when a shareholder proposes a motion involving CSR, the Board of Directors is advised to review and consider including it in the shareholders meeting agenda.