

Corporate Governance Memorandum

Review: 01.07.2026

1. Shareholder structure
2. Group structure (if applicable): legal and functional structure
3. Policy related to structure and working of management entities
 - 3.1 Numbers, duration of mandate, rotation, age, succession...
 - 3.2 Criteria for selection
 - 3.3 Procedure for appointment (new mandates/renewals) and resignation/non renewals
 - 3.4 Independent Directors
 - 3.5 Executive Directors
 - 3.6 Remuneration Policy:
 - Effective Managers
 - Non-executive Directors
 - 3.7 Small and non-complex institution
 - 3.8 Company Charter
 - 3.9 Diversity Policy
 - 3.10 Fit and Proper Policy
4. Management structure and organization
 - 4.1 Board of Directors
 - Composition
 - Working (internal regulation)
 - Specialized committees: composition/working
 - 4.2 Management Committee
 - Composition
 - Working (internal regulations)
 - Persons who are Effective Manager but not Director
 - Internal division of responsibilities of the Effective Managers.
5. Key functions
 - 5.1 Staff functions
 - 5.2 Internal Control Framework
 - a. Objective
 - b. Internal control framework
 - c. Three Lines Model

- d. Monitoring and reporting
 - e. COSO Framework
- 5.3 Independent control functions
 - a. Internal audit
 - b. Audit and Risk Committee
 - c. Compliance
 - d. AML/CTF function
 - e. Risk management
- 6. Structural Organization
 - 6.1 Operational structure, business lines, matrix management and assignment of responsibilities and competencies
 - 6.2 Outsourcing
 - 6.3 Products/services
 - 6.4 Geographical perimeter of activities
 - 6.5 Business Continuity Plan
- 7. Strategic objectives – Business values – Integrity policy – Conflict of Interests
 - 7.1 Action Plans
 - 7.2 Internal codes of conduct
 - 7.3 Internal rules concerning external functions
 - 7.4 Regulations Governing Acquisition/Disposal of Assets
 - 7.5 ROC Financial Holding Cy Act.
 - 7.6 Disclosure of malpractice – Whistle blowing
 - 7.7 Customer’s complaints processing
 - 7.8 Remuneration policy
 - 7.9 Transactions on Financial Instruments
 - 7.10 Tax Prevention Policy
 - 7.11 Conflict of Interest Policy
- 8. Policy to make public the applied principles
- 9. Status of the Corporate Governance Memo with date

Approved by: Management Committee – 01.07.2026
Board of Directors – to be held on XX.XX.2026

Corporate Governance Memorandum

Preamble:

This Corporate Governance memorandum aims at ensuring the compliance of United Taiwan Bank's governance structure with the principles and provisions set out in the Circulars of the National Bank of Belgium: NBB_2021_28 of 08.12.2021, NBB_2022_23 of 11.10.2022, [and NBB 2025 18 of 25.11.2025.](#)

This memorandum defines the principles that preside over the Corporate Governance at United Taiwan Bank. It complies with the Circulars NBB_2021_28, NBB_2022_23, [and NBB 2025 18](#) which it has fully incorporated in its terms, except when the particularities of UTB warrant deviation, in which case the rationale of such deviation is explained.

This memorandum is an evolving tool intended for UTB's Board of Directors but also for its shareholders, its employees, the external auditor and other stakeholders. This memorandum is prone to evolve according to legislative or regulatory changes. In such a case the memorandum will be updated.

1 *Shareholder structure*

UTB has 3 shareholders whose participation is divided as follows:

- *Taiwan Cooperative Bank Ltd.* **90.02%**
Ranked 3rd largest bank in Taiwan in terms of Assets.
Privatized bank on 04.04.2005
- *Bank of Taiwan* **4.99%**
Owned by the Ministry of Finance of the Republic of China in Taiwan
- *Land Bank of Taiwan* **4.99%**
Owned by the Ministry of Finance of the Republic of China in Taiwan

The shareholders are in charge of supervising and sanctioning the strategy and they control the work of the Board of Directors. To this end they participate in the shareholders' meeting in order to demonstrate their adhesion to the Board of Directors' projects, to formulate alternative proposals and to question the Board with respect to its management of UTB.

2 *Group Structure*

Taiwan Cooperative Bank Ltd (TCB), being UTB's main shareholder, TCB considers UTB as making part of its overseas network as it appears from their

annual report. UTB is described as an equity method investee. Their stockholders equity amounts to TWD 303.57 billion (8.22 billion Euro) and their total balance sheet to TWD 5,145.68 billion (139.30 billion Euro) as at 31.12.2025 (exchange rate TWD/Euro = 36.94/ 31 December 2025).

Taiwan Cooperative Bank Ltd is now a 100% subsidiary of Taiwan Cooperative Holdings, established on 01.12.2011 and approved by the Financial Supervisory Commission of Taiwan on 22.09.2011.

Taiwan Cooperative Holdings with assets and stockholders' equity valued around TWD 5,380.84 billion (145.66 billion Euro) and TWD 285.14 billion (7.72 billion Euro) respectively, ranks as the 5th largest financial holding company, as per 31.12.2025 in Taiwan in terms of assets size (as disclosed from its website). It is listed on the Taiwan Stock Exchange (code: 5880) and TCB was consequently delisted (code: 5854).

The Ministry of Finance of the R.O.C. holds 26.06% of the stock of TC Holdings.

3 Policy related to the structure and the working of the management entities

- 3.1 It is a longstanding and continuing policy of the 3 shareholders to appoint at UTB's management entities (Board of Directors and Management Committee) only officers with a long track record and experience in the international sphere. They are appointed every 3 years by the General Shareholders' Meeting. When appointing the directors, the stipulations in the Diversity Policy, established in compliance with the requirements set out in article 31, &2, 1° of the Belgian Banking Law, will also be taken into account.
- 3.2 **The Chairperson of the Board** will be proposed by the Taiwan Cooperative Bank given their major involvement in UTB. His /Her selection will always be based on his /her general and international experience and be in line with his /her responsibilities at TCB. The latter (TCB) will decide on this point taking into account the need for the Board of UTB to preserve the continuity and the efficiency that is necessary to exercise their monitoring function efficiently. (Management Committee of 09.02.2009, approved by the Board of Directors of 11.05.2009). A preliminary approval of the NBB is necessary.
- 3.3 **A number of non-executive Directors** are appointed by each shareholder, taking into account their international experience and their actual responsibilities that will be in line with their directorship. Every shareholder will decide with the same objectives as for the Chairman of the Board.

(Management Committee of 09.02.2009 approved by the Board of Directors of 11.05.2009). Here also the preliminary approval of the NBB is necessary.

This paragraph relates only to the non-executive Directors appointed by the shareholders. The appointment of an additional independent director as discussed in section 3.4 is subject to separate considerations.

- 3.4 **Independent Directors:** The 2 non-executive Directors appointed by the 2 minority shareholders can be considered as independent, pursuant to Article 3,83° of the Banking Law and Article 1:20 of the Belgian Companies and Associations Code. This was confirmed by our external lawyer and it was [accepted by](#) the NBB.

During the annual meeting with the NBB on 28.05.2024, the NBB shared its view that the addition of a locally based independent director to the UTB Board would be beneficial. The suggested profile includes independence from all three shareholders and familiarity with the European regulatory and business context. Such an appointment would serve to further enhance the robustness of UTB's governance structure and contribute to broader Board diversity.

[To address the NBB's recommendation, Mrs. Vermaelen Danielle was nominated by the Board as the new local independent director on 14.05.2025. She obtained the NBB's approval on 26.08.2025 and was subsequently appointed by the Shareholders' Meeting on 01.10.2025.](#)

- 3.5 **The two executive Directors** in the Management Committee having a proven successful business track record are given a mandate that will normally be of at least 3 years. Their selection is under the responsibility of the Taiwan Cooperative Bank Ltd. who monitors and evaluates their past performance on the domestic and on the international front. The appointment of the chosen officers will then be proposed to and discussed with the 2 others minority shareholders. Their appointment will be done taking into account the same objectives as for the Chairman of the Board. (Management Committee of 09.02.2009 - Board of Directors of 11.05.2009) The approval of the NBB is a preliminary condition of their appointment.
- 3.6 **Remuneration policy:** the office of all Directors is performed on a gratuitous basis, except for (i) the executive Directors, i.e., the Managing Director and the Deputy Managing Director, who receive a salary for the execution of their executive function, and (ii) the local non-affiliated independent director, who receives a remuneration in line with the content of his/her mandate/directorship and market practice. The remuneration policy does not stimulate to take excessive risks, because it is not at all based on given turn-over figures,

nor on a risk taking (Management Committee of 27.06.2008 approved by the Board of Directors of 28.10.2008). The policy was latest reviewed by the Management Committee on [15.04.2026](#) and acknowledged by the Board of Directors on [11.05.2026](#). As requested by the Remuneration Policy, the remuneration of the Executive Directors is being approved by the Board of Directors.

- 3.7 **Small and non-complex institution:** The National Bank of Belgium has informed UTB by their letter of 22 June 2021 that based on the criteria mentioned in the article 4 (1) (145) of the Regulation (EU) 575/2013 (CRR), as introduced by Regulation (EU) 2019/876, they have concluded that United Taiwan Bank can be considered as a small and non-complex institution. The Management Committee on its meeting held on 28.06.2021 agreed with the conclusion of the NBB. As requested by the NBB, we need to inform them in case we no longer meet all criteria for being a small and non-complex institution.
- 3.8 The new Belgian Code of Companies and Associations (“BCCA” hereunder) was passed by the Belgian Parliament on 28.02.2019. The BCCA came into effect on 01.01.2020, but companies established before that date [had](#) the time until 01.01.2024 for the implementation of the revised Code and thus to amend their Company Charter in order to be in line with the revised Code.

The Bank appointed the law firm Linklaters to assist in amending the Company Charter. The main amendments are as follows:

- Article 8: As per Articles 24 and 26 of the Belgian Banking Law, this article stipulates the governance setup in which the Board of Directors and the Management Committee respectively within the limits of the powers assigned to them by law are jointly responsible for the management of the Bank.
- Article 11: As per Article 3, paragraph 3 of the Belgian Banking Law, only non-executive directors may be elected as chairman of the Board of Directors, and in the event the chairman is absent, the replacement should also be a non-executive director.
- Article 15: As per Article 7:113 of the BCCA, all excerpts and copies of the minutes are signed by the chairman, or in his absence by the most senior member.
- Article 17~22: As per Article 7:109 of the BCCA and Articles 23~24 of the Belgian Banking Law, the powers of the Management Committee are no longer delegated by the Board of Directors. Therefore, the powers and authorization provisions are split into two parts: the Board of Directors (Article 17) and the Management Committee (Article 18~22). The

Management Committee should consist of at least 2 persons (Executive Directors), which complies with Article 24 of the Belgian Banking Law.

The amendment of the Company Charter was approved by the Board of Directors on 19.12.2022, and by the [Extraordinary](#) Shareholders Meeting on 15.06.2023.

- 3.9 In order to comply with article 31, §2, 1° of the Belgian Banking Law, a diversity policy was established in 2023. It was most recently reviewed by the Management Committee on [20.03.2026](#) and acknowledged by the Board of Directors on [11.05.2026](#). The Board of Directors is presently composed of [4](#) female directors and 3 male directors.
- 3.10 A Fit and Proper Policy (Annex 41) has been established. The purpose of this policy is to establish a structured and consistent approach to assess the suitability of persons who have to be reviewed by the suitability assessment by the NBB. This policy outlines responsibilities for the assessment, the ongoing assessment and reassessment, the assessing criteria, the periodical review and authorization level of it. This Policy is set up to be in compliance with the requirements set out in chapter 3 of the NBB Governance Manual for the Banking Sector (11 October 2022): Suitability of Directors, Senior Managers and Persons Responsible for Independent Control Functions; and chapter 3 of NBB Manual on the Assessment of Suitability (Fit & Proper) (20 December 2022): Suitability requirements for credit institutions subject to direct supervision by the NBB.

4 *Management structure and organization*

- 4.1 Board of Directors: The Board of Directors is a collegial body and is responsible for the general policy and strategy of the company and all acts specifically reserved for it by laws and regulations applicable to credit institutions and by the Belgian Code of Companies and Associations.

Directors are appointed for renewal periods of 3 years by the General Shareholders' Meeting whereby every shareholder will be represented in the following way:

- Taiwan Cooperative Bank: 2 non-executive and 2 executive Directors
- Bank of Taiwan: 1 non-executive Director
- Land Bank of Taiwan: 1 non-executive Director

In addition, the Board [has nominated, after approval by the Shareholders Meeting](#), an independent director who is not affiliated with any of the three shareholders, in line with the expectations expressed by the NBB. This director is appointed to further strengthen corporate governance and enhance Board diversity.

The Board of Directors shall be composed of members from complementary horizons and having the required knowledge and experience considering the activity of UTB and taking into account the requirements under the Diversity Policy (reference is made 3.9 here-above).

Working of the Board

- The Board meets at least twice a year, usually in May and December under the chairmanship of its Chairperson, being a non-executive Director, representative of the Taiwan Cooperative Bank, who decides after consultation of the Management Committee and the other Directors which items will be submitted to the Board.
He /She conducts the deliberations of the Board.
- Decisions can only be taken by simple majority if at least half of the members of the Board are present or represented. When votes are equally divided, the vote of the Chairperson will be decisive.
- Each member of the Board will be provided at least 1 business day before the scheduled meeting with the meeting's agenda and useful documentation to effectively prepare for the meeting.
- No Director may vote or take part on a deliberation if he /she is directly concerned by a decision or has a conflict of interest.

The responsibilities of the Board are defined as follows:

- Defines strategy, objectives and values of the bank;
- Puts in place the decision-making procedures and internal control and ensures that all significant corporate actions taken are in compliance with applicable legislation;
- Appoints and terminates the mandates of the Managing Director and of the Deputy Managing Director;
- Establishes the annual accounts and the interim financial statements;
- Approves/evaluates management structure, organization, internal control and independent control functions;
- Monitors regularly the efficiency of internal control on reliability of financial reporting procedures;
- Approves/evaluates main lines of policy/strategy concerning:
 - ◇ Commercial policy/management

- ◇ Risk profile/policy/ management
- ◇ Capital adequacy and Liquidity Adequacy
- ◇ Recovery Plan
- ◇ Major Management Risk Indices
- ◇ Risk Appetite
- ◇ Outsourcing
- ◇ Management Continuity
- ◇ Integrity and client acceptance
- ◇ Conflict of interests;
- ◇ Protection of customer's rights on their deposited assets;
- ◇ Remuneration Policy.
- Monitors management by using their investigation powers and management reporting.
- Acknowledges the findings of the control functions, of the auditors and of the NBB and of the remedy measures taken by the Management Committee and see to it that these measures are implemented.
- Ensures that all significant corporate actions are in compliance with the law.

The Board will conform itself to what is said in articles 8 to 17 of the Articles of Association of UTB, a copy of which is attached hereto (Annex 1).

In order to comply with the Banking Law of 25.04.2014 (art. 33 § 1) and the Company Law (art. 526 ter), the Audit and Risk Committee was established by the meeting of the Board of Directors held in 11.11.2015. The new Committee was dedicated to evaluate all the matters of audit and risk management, which originally was exercised by all the Directors of the Board. The main tasks and responsibilities of the Committee are referred to in 5.2.b) of this Memorandum.

The Belgian Banking Law of 25.04.2014 has been amended on 07.12.2016 and now stipulates that the majority of the Audit and Risk Committee members should be independent. Article 3 of our Audit and Risk Committee Charter has been amended accordingly.

Internal Regulations of the Board will also be respected (cfr. Annexes 2 and 3 Terms of Reference)

In accordance with Communication NBB_2018_05 dated 08.02.2018, the Board of Directors is obliged to submit an annual report to the supervisory authority on the assessment of the proper functioning of the compliance function. In addition to determining and verifying the integrity policy, the Board of Directors has to ensure that the compliance risks are adequately recognized and controlled. In this regard, the first Board Assessment Report

had been submitted to the NBB on 27.06.2018 and the 2025 report was submitted on 13.05.2026.

In accordance with Article 31, §2, 2° of the Banking Act, and Article 4:37 of the NBB Governance Manual, the Board of Directors should conduct an annual evaluation of its structure, size, composition, and functioning.

Furthermore, in accordance with Article 4:38 of the NBB Governance Manual, the non-executive directors should assess their interaction with the executive directors at least once a year, where appropriate in the absence of the latter. Minutes should be drawn of the conclusions of these assessments, as well as of the measures taken in order to improve the functioning of the governance structure.

The most recent evaluation took place on 11.12.2025 and concluded that the Board was functioning well overall.

In line with the NBB's expectation expressed during the annual meeting with UTB on 28.05.2024 to further enhance board diversity by appointing an additional local independent non-executive director, the nomination of Mrs. Vermaelen was approved by the NBB on 26.08.2025 and by the shareholders' meeting on 01.10.2025. She officially assumed office on the same date.

During 2025, the Board held seven meetings. All directors participated actively and thoroughly discussed each proposal. Meeting materials and discussion papers are properly documented and available for review.

- 4.2 Management Committee: two Executive Directors (the Managing Director and the Deputy Managing Director) acting together form the Management Committee. They are appointed by the Board of Directors and are vested with the broadest powers to perform all acts necessary or useful for the achievement of the object of the company, with the exception of acts reserved for the General Meeting or to the Board of Directors by the laws and regulations applicable to credit institutions and by the Belgian Code of Companies and Associations.

The Management Committee is a collegiate body which is exclusively composed of members of the Board of Directors. The Management Committee has at least two members.

The members of the Management Committee are appointed and dismissed by the Board of Directors. The Board of Directors sets the terms of office of the members of the Management Committee, including their remuneration, the duration of their mission and the mode of operation of the Management Committee.

The Management Committee may delegate the day-to-day management of the company to one or more members of the Management Committee, who can act alone.

The Management Committee meets as much as necessary to permit an effective and efficient management of the bank.

The responsibilities of the Management Committee are defined as follows:

- Management of activities/establishment of management structure.
- Monitoring of line management, of observation of responsibilities and of reporting.
- Make proposals/advise Board to define policy/strategy and provide sufficient data to allow Board to take documented decisions.
- Organize, implement and evaluate all the internal control mechanisms and procedures.
- Organize a system of internal control providing sufficient certainty on reliability of internal reporting and financial reporting, so that accounts correspond to actual accountancy regulations.
- Report the financial situation to the Board in all necessary aspects with a balanced and comprehensive assessment of the banks' financial situation.
- Report to NBB and FSMA/external auditor on financials, organization, internal control, management structure, independent control functions etc.

The Managing Director is in charge of all operations functions.

The Deputy Managing Director is acting as Risk Manager, AML Supervisor and is also in charge of [the](#) Compliance Function, [the](#) physical safety, [the](#) guarding, security, and HR.

5 Key functions

5.1 Staff functions:

- The Treasury Manager, the loan Manager and the Administration Manager are reporting directly to the Managing Director. These officers are chosen on the basis of their professional background and experience.
- The Advisor of the bank will advise the Management Committee in all independence in all regulatory, legal, prudential matters. He is now also acting as Compliance Officer and AMLCO, after having obtained the necessary approvals from both the NBB and FSMA. The Compliance Officer is reporting directly to the Deputy Managing Director.

5.2 Internal Control Framework:

a) Objective

UTB has established an internal control framework to support the achievement of its business objectives, safeguard its assets, ensure the reliability of financial and regulatory reporting, promote compliance with applicable laws and regulations, and support sound and prudent management.

The internal control framework forms an integral part of UTB's governance arrangements and is designed in accordance with the principles set out in the Belgian Banking Law, the NBB Prudential Regulations, the EBA Guidelines on Internal Governance, and internationally recognized internal control principles, including the COSO Internal Control – Integrated Framework.

b) Internal control framework

UTB's internal control framework consists of governance arrangements, organizational measures, policies and procedures, control activities, reporting mechanisms, and independent oversight functions.

The framework covers all business activities and supporting functions and is designed to ensure that material risks are identified, managed, monitored and reported in a timely manner.

The main components of the framework include:

- governance arrangements with clearly defined responsibilities and segregation of duties;
- documented policies and procedures covering all material activities;
- risk management processes for identifying, assessing, monitoring and mitigating risks;
- preventive and detective control activities embedded in daily operations;
- independent control functions, including Risk Management, Compliance, AML/CFT and Internal Audit; and
- ongoing monitoring and periodic reviews performed by management, the Audit and Risk Committee and the Board of Directors.

c) Three Lines Model

UTB applies the Three Lines Model to ensure an effective allocation of responsibilities for internal control.

The first line of defence consists of the business and operational functions, which are responsible for managing risks and performing day-to-day controls within their respective areas of responsibility.

The second line of defence comprises the independent control functions, including Risk Management, Compliance and AML/CFT, which establish policies, provide guidance, monitor compliance with regulatory requirements and report independently to senior management and the Board of Directors.

The third line of defence is the Internal Audit function, which provides independent and objective assurance regarding the adequacy and effectiveness of UTB's governance, risk management and internal control framework.

d) Monitoring and reporting

The internal control framework is supported through continuous monitoring by management and the independent control functions.

The Management Committee receives regular reports from the independent control functions, including Risk Management, Compliance, AML/CFT and Internal Audit, and ensures that identified deficiencies are appropriately addressed.

The Audit and Risk Committee assists the Board of Directors in overseeing the effectiveness of UTB's governance, risk management and internal control framework.

Internal control arrangements are reviewed periodically and updated where necessary to reflect changes in UTB's activities, risk profile and applicable regulatory requirements.

e) COSO Framework

UTB uses the COSO Internal Control – Integrated Framework as the reference framework for the design and organization of its internal control system. The effectiveness of these organizational measures is assessed separately in the "Management Committee Report on the Effectiveness of Organizational Measures" prepared in accordance with NBB Circular NBB_2025_18.

5.3 Independent Control functions:

a) **Internal Audit function:**

in order to benefit of an entirely independent internal audit function, the

bank has made a contract, in accordance with Circular D1 97/7 of BFIC, with Luc Callaert BV, external registered chartered accountant company, whereby the latter will act as sub-contractor to provide the total internal audit services, the final responsibility remaining, of course, with UTB. This contract is extended up to 31.12.2026.

A risk analysis was made by the internal auditor covering all activities in the bank and the internal control thereon. Then an audit methodology was written and was agreed by the Management Committee on 31.08.2006 and submitted to the BFIC in September 2006. A 3-year Audit Plan was also approved by the Management Committee on 31.08.2006.

A reviewed analysis and methodology were agreed by the Management Committees of 04.09.2008, 05.04.2012, 10.02.2015, 26.10.2017, 11.11.2020, and 22.09.2023. A new 3-year Audit Plan was extended up to 31.12.2026, approved by the Management Committee and by the Board of Directors on 04.10.2023 and 15.05.2024.

During the closing meeting of the NBB onsite inspection in November 2024, the NBB noted that Luc Callaert BV had been serving as UTB's internal audit service provider for more than 25 years. Although no regulatory requirement exists to rotate the internal auditor, the NBB recommended appointing a new service provider upon the expiry of the current mandate in 2026 in order to bring fresh perspectives and further strengthen UTB's governance and compliance framework.

In response to the NBB's recommendation, UTB conducted a tender process in 2026, following which Deloitte was awarded the internal audit engagement for the period 2027–2029. The procurement was approved by the Board of Directors on 11.05.2026. The appointment remains subject to the completion of the applicable governance and regulatory approval processes prior to the commencement of the new mandate.

The Audit Charter (cfr. Annex 4) and Internal Auditors' Code of Professional Ethics (cfr. Annex 4.1) have been drafted following the requirements of the National Bank of Belgium (NBB) communicated to us by its Circular NBB 2015_21. As required by the NBB, the 2 regulations have been submitted, discussed and reviewed by the Management Committee on 07.03.2017. The said regulations were also approved by the Board of Directors on 09.05.2017.

In accordance with Principle 9 (48) of the Basel Committee on Banking Supervision's guidelines (BCBS 223 – The Internal Audit Function in

Banks) and Standard 1312 of the Institute of Internal Auditors (IIA Standards), the internal audit function is required to undergo an independent external quality assessment at least once every five years. This requirement is explicitly stipulated in the Audit Charter.

The most recent external quality assessment, conducted by BDO on 24.01.2025, found that while the internal audit function was generally aligned with professional standards, several areas for improvement were identified. An action plan was therefore established, including updates to the Audit Charter and the Audit Methodology, as well as the implementation of a Quality Assurance and Improvement Program (QAIP). The implementation of the action plan was completed and its completion was confirmed by the Audit and Risk Committee and the Board of Directors on 11.12.2025.

The latest yearly review of the Audit Charter and Audit Plan was done by the internal auditor and approved by the Management Committee on 04.08.2025 and by the BOD on 11.12.2025.

In accordance with the Position Paper issued by the Institute of Internal Auditors (IIA) in May 2018, which provides that where internal audit services are fully outsourced an in-house liaison, preferably a designated Chief Audit Executive or, alternatively, a member of senior management, should be assigned responsibility for overseeing the internal audit activity, the Board designated the Deputy Managing Director to perform this role. The appointment was approved by the Audit and Risk Committee and the Board of Directors on 11.05.2026. An assessment confirming the Deputy Managing Director's independence in performing this role was approved by the Management Committee on 03.06.2026. Deloitte, as the future internal audit service provider, also confirmed that the arrangement does not give rise to any conflict of interest.

b) Audit and Risk Committee

In compliance with the Article 27, 28 and 29 of Belgian Banking Law, the Audit and Risk Committee was established on 11.11.2015 in accordance with the Audit and Risk Committee Charter, approved by the Board of Directors on 20.05.2015.

The Members of the said Committee are appointed for renewable periods of 3 years by the Board of Directors whereby each shareholder will be represented in the following way:

- Taiwan Cooperative Bank: 1 non-executive Director
- Bank of Taiwan: 1 non-executive Director (independent Director)
- Land Bank of Taiwan: 1 non-executive Director (independent Director)

In addition, the Committee [has nominated](#) an independent non-executive director who is not affiliated with any of the three shareholder banks, in line with the expectations expressed by the National Bank of Belgium (NBB). Further details are provided in Section 3.4.

Members of the committee must possess the knowledge, experience and skill necessary to understand and evaluate the risk tolerance level and strategy of UTB. And at least one member should be competent in accounting and/ or auditing.

The Committee shall convene at least twice a year, and may call a meeting at its discretion whenever necessary. The Committee reports to the Board of Directors on the performance of the duties.

The main tasks and responsibilities of the Committee

- To monitor the integrity of the financial information provided by UTB and, in this framework, ensure the relevance and consistency of the accounting standards (national and international) used by UTB. This includes the assessment of the correctness, completeness, and consistency of financial information.
- To monitor the issues and recommendations made by the statutory auditor.
- To monitor the effectiveness of internal control and of risk management systems.
- To review the periodical information.
- To monitor internal audit and its activities.
- To review and monitor the independence of the statutory auditor particularly with regard to the provision of additional service to UTB or to a person on which it has a narrow link.
- At least once a year the Committee reviews the internal control and risk management systems set up the Management Team with a view to ensuring that the main risks resulting from UTB activity, including those relating to the compliance with existing legislation and regulations, are properly identified, managed, and disclosed.
- To review and comment to the Board of Directors the statements made in the annual report on internal control and risk management.

- To advise the Board of Directors for aspects of the strategy level of tolerance for risk, both current and future.
- To ensure that the price of products offered to customers, whether on or off-balance sheet, takes into account the risks borne by the UTB with regard to its business model and strategy for risk.
- To promote healthy practices and remuneration policies.

The Belgian Banking Law of 25.04.2014 has been amended on 07.12.2016 and now stipulates that the majority of the Committee members should be independent. Article 3 of our Audit and Risk Committee Charter has been amended accordingly.

c) Compliance function:

Given the small size of UTB, the small number of products offered, the limited number of transactions, the responsibility for Compliance, AML and for the prevention policy of the bank in fiscal matters was delegated to the Advisor by the Management Committee of 28.08.2015. The compliance officer has obtained the necessary approvals from both the NBB and FSMA. The Compliance Charter was approved on the 08.03.2002 (cfr. Annex 5) and further updated according to Circular Letter NBB/FSMA 2012-14 (Annex 5.1).

- The Compliance Charter was approved on 02.12.2015. The latest review was approved by the Management Committee on [05.01.2026](#) and by the Board on [11.05.2026](#).
- A Compliance and AML/CFT Action Plan is drafted each year (Annex 5.2).
- The Compliance Risk Assessment (CRA) was made on [31.03.2026](#) and will be reviewed and analyzed annually (Annex 6).
- A compliance report is submitted by the compliance officer twice a year.

Guidelines for Deposit and Remittance Activities were also adopted in this context. The latest update was approved by the Board of [11.12.2025](#) (Annex 7).

In accordance with Communication NBB_2018_05 dated 08.02.2018, the Board of Directors is obliged to submit an annual report to the supervisory authority on the assessment of the proper functioning of the compliance function. In addition to determining and verifying the integrity policy, the Board of Directors has to ensure that the compliance risks are adequately recognized and controlled. In this regard, the first Board Assessment Report has been [submitted to the NBB on 27.06.2018](#).

To strengthen the Compliance Risk Assessment (CRA) process, the relevant documents, including its methodology and action plan, underwent an external quality review by E&Y in 2024. The revised methodology includes: (1) compiling a regulatory inventory; (2) identifying and describing risk factors for each regulation; (3) assessing inherent risk by evaluating potential impact and likelihood; (4) reviewing the adequacy and effectiveness of existing controls; (5) determining residual risk after considering current controls; and (6) conducting a gap analysis with corresponding recommendations. Any identified gaps are documented in an action plan for follow-up.

In accordance with Article 4:164 of the NBB Governance Manual for the Banking Sector dated 11 October 2022 and the EBA Guidelines on Internal Governance (EBA/GL/2021/05), UTB has established a Conflict of Interest Policy (Annex 40) applicable at the institutional level and to Directors and staff. The policy aims to effectively identify, assess, and monitor risks related to conflicts of interest. Under this policy, the Compliance Officer conducts a monthly review of the conflict of interest register, which forms part of the monthly compliance and AML monitoring report. In addition, conflict of interest considerations are incorporated into the CRA risk assessment files. The outcomes of conflict of interest monitoring are also reflected in the Compliance Officer Activity Report.

In line with Communication NBB_2012_14 on the compliance function states that “Each institution sees to it that the compliance function is organized in an appropriate and permanent way,” UTB has incorporated a succession plan for the compliance officer within the Compliance Charter. This plan provides that, in cases of extended absence of the compliance officer or during transitional periods while recruiting a new officer, external experts may be temporarily engaged for clearly defined assignments.

In accordance with this plan, the Board of Directors approved the engagement of KPMG as external compliance consultant on 04.11.2024. The engagement letter was signed on 27.01.2025, and it specifies the compliance experts from KPMG whom UTB may call upon as needed.

As from 2020, we have to comply with the NBB circular NBB_2019_15 as to the content of the Board’s report on the assessment of the compliance function. The Board of Directors have to approve, sign and submit the Report to the NBB before 15.05 every year. (Annex 7-1)

The Compliance Officer reports to the Deputy Managing Director, who is in charge of the compliance function within the Management Committee. This was approved by the NBB. To further enhance the bank's compliance function, [a compliance assistant](#) was recruited at the beginning of 2025.

d) AML/CTF function

In order for Belgium to be in line with the European Union IV AML Directive (AMLD4), a Belgian law on the prevention of money laundering and terrorist financing and on the restriction of the use of cash came into force on 18.09.2017 (Belgian AML law of 18.09.2017). The National Bank of Belgium has issued a regulation on 21.11.2017 (AML NBB Regulation of 21.11.2017) which supplements the AML Law.

The law of 20.07.2020 amending Belgian AML law of 18.09.2017 (Belgian AML law of 20.07.2020). The Law provides for the transposition of the European Union V AML Directive (AMLD5) into Belgian law.

- The “Guidelines Governing Anti-Money Laundering and Countering the Financing of Terrorism of United Taiwan Bank” [have been](#) updated in order to be in line with the AMLD5, the Belgian AML law of 20.07.2020, amending Belgian AML law of 18.09.2017 and the AML NBB Regulation of 21.11.2017. The latest review of the Guidelines was approved by the Board on [11.12.2025](#). (Annex 8)
- The Belgian AML law requests that each company appoints a member of its senior management to supervise the implementation of and the compliance with the provisions of the Law and the regulations. The Board of Directors approved the appointment of the Deputy Managing Director as the AML supervisor on 14.05.2018.
- The actual implementation has to be done by the AMLCO (anti-money laundering compliance officer), which for UTB is the certified Compliance officer.
- The AMLCO submits on an annual basis an AMLCO report.
- As noted in section (c) Compliance Function, [a Compliance Assistant](#), who also serves as the AML Assistant, was recruited at the beginning of 2025.

In order to comply with the provisions of Article 16 and 17 of the Belgium AML law and NBB Circular NBB 2018_02, the AMLCO drafted the overall risk assessment (ORA) report, taking into account the characteristics of the customers, the products, services offered, the countries or geographical areas concerned, and the distribution channels used. The purpose of the exercise was to assess the AML risks the bank is

exposed to. The assessment report shall be reviewed annually and to be sent to the NBB. The ORA report [for 2025](#) was submitted to the NBB on [13.05.2026](#).

The AMLCO also drafted internal procedures which were based on our AML Guidelines and which followed the recommendations of the NBB. The AML and CFT Procedures were approved by the Management Committee and was latest reviewed on [27.08.2025](#). The purpose of the procedures is to work-out more in detail what is mentioned in the Guidelines and be more concrete so as to serve as guidance for the personnel involved with AML matters. The procedures were disseminated to all relevant staff and will be updated regularly. The procedures, as requested by the NBB, are as follows:

- Procedures regarding the execution of the AML procedures;
- Procedure in order to respect the financial embargoes and the freezing of assets imposed by the United Nations, the European Union and the Kingdom of Belgium;
- Procedure regarding the blacklist screening.
- Procedure for analyzing atypical transactions, for reporting suspicions to the CFI and for processing requests for information from the CFI to the financial institutions;
- Procedure for the storage and the protection of data and documents;
- Procedures for vigilance measures with regard to clients and transactions;
- AML Overall Risk Assessment Procedure; and
- Procedure for AML Internal Whistle Blowing.

Regulation (EU) 2024/1624, which seeks to harmonize AML legislation across all EU member states, will come into effect on 09.07.2027. As the current Belgian AML law is already based on the EU Directive, a preliminary assessment indicates no major inconsistencies with the new regulation. Nonetheless, further guidance from [the Belgian supervisory authorities](#) such as the NBB and FSMA [and the recently established EU Authority “AMLA” are expected before the EU Regulation becoming into effect](#) in the form of circulars. Any necessary updates to the “Guidelines Governing Anti-Money Laundering and Countering the Financing of Terrorism of United Taiwan Bank” and “The AML and CFT Procedures” will be made in due course, following a comprehensive assessment of such communications.

e) Risk Management function

In accordance with Article 4:164 of the NBB Governance Manual for the Banking Sector dated October 11 2022 and the EBA Guidelines on internal governance (EBA/GL/2021/05), the Risk Management Charter (Crf. Annex 36) and Risk Management Policy (Crf. Annex 37) have been established. Both documents were approved on 12.12.2024 and were last reviewed by the Board of Directors on 11.12.2025.

The Board of Directors retains ultimate oversight of the risk management framework. The Risk Manager, currently the Deputy Managing Director (as approved by the NBB), is responsible for maintaining the framework, conducting risk assessments, and monitoring mitigation efforts. Key responsibilities include preparing the annual risk management plan, defining the risk appetite, establishing major risk management indices, drafting related documents, and overseeing various risk control operations.

As outlined in Chapter 6 of the Risk Management Policy, eight key risk management reports must be submitted to the Board of Directors for approval annually. These reports include Risk Appetite, Major Risk Management Indices, Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment (ILAAP), Plan of Risk Management, Risk Manager Activity Report, Business Continuity Plan (BCP), and Recovery Plan. For monitoring purposes, these reports must be reviewed by the Management Committee, Audit and Risk Committee, or the Board of Directors, as specified in the same chapter of the Risk Management Policy. Additionally, any abnormal conditions detected during risk monitoring should also be addressed in these reports.

Additional risk-related policies and controls include:

- e.1 Interest rate risk and liquidity management: on 20.03.2026, the Management Committee reconfirmed the Policy Memorandum on this subject (cfr. Annex 9).
- e.2 Counter-party risks and funding gap positions are regulated by "The Criteria for Delegation of Authority for Handling International Financial Business" dated 20.12.2023 (cfr. Annex 11).
- e.3 The Loans to customers are regulated by the Credit Policy which was lastly reviewed on 11.02.2025 (Annex 32) and Credit Procedures which were lastly amended on 26.03.2026 (Annex 32.1).

- e.4 The Investment Portfolio Policy of 27.11.2006 was lastly reviewed on 11.12.2025 (cfr. Annex 12).
- e.5 Country Risk Allocation Rules was approved on 20.05.2020 (cfr. Annex 13) which was lastly reviewed on 20.03.2026.
- e.6 International organizations (Annex 13.1 M. C of 06/10/2010).
- e.7 Provisioning for country risks: policy document of 15.10.2001 (cfr. Annex 13.2) reviewed on 15/02/2010
- e.8 Yearly evaluation of all credit risks is made every year.
- e.9 ICAAP procedure (Internal Capital Adequacy Assessment): approved by the Management Committee of 11.04.2017 and reviewed annually (Annex 14).
- e.10 ILAAP procedure and methodology (Internal Liquidity Adequacy Assessment Process) approved by the Management Committee of 14.06.2018, the Board of Directors of 19.06.2018, and reviewed annually (Annex 15).
- e.11 The Management Committee Report on the Effectiveness of Organisational Measures (Annex 16) is prepared in accordance with NBB Circular NBB_2025_18. As UTB qualifies as a less significant institution (LSI), the report is prepared on a biennial basis, with a concise summary submitted in the intervening years. The latest report was reviewed and approved by the Management Committee on 29.01.2026.
- e.12 Evaluation Rules of financial statements (Annex 16.1).
All these policies and procedures were approved by the Board.
- e.13 Quarterly review of the tables of the Recovery Plan, the Risk Appetite and the Major Risk Management Indices. All the methodology of the tables have to be reviewed and approved by the Board annually.
- e.14 Plan of risk Management approved by the Board of Directors of 11.12.2025 (Annex 35)
To enhance the systematic identification of risk levels across all risk types, the methodology for the Plan of Risk Management has been updated. It now includes: (1) inherent risk rating (based on likelihood and impact), (2) evaluation of existing controls using quality indicators, (3) residual risk calculation, and (4) development of action plans with defined timelines, resources, and responsibilities.
- e.15 ICT and Security Risk Management
The Bank's Board of Directors is ultimately responsible for setting up the ICT security framework and ensuring that ICT security is effectively managed. The ICT and Security Risk

Management Policy was first set up and approved by the BOD on 07.05.2019, and lastly reviewed on [11.12.2025](#). The Policy aligns with the European Banking Authority Guidelines on ICT and Security Risk Management (EBA/GL/2019/04) dated 28 November 2019, the NBB Circular NBB_2020_23 of 16 June 2020, and Regulation (EU) 2022/2554 of 14 December 2022 on Digital Operational Resilience for the Financial Sector (DORA). Furthermore, the IT Environment Management and Maintenance Procedure was firstly set up and approved by the Management Committee on 20.12.2018 and lastly updated on [22.10.2025](#), helping the management team to have an overview of the IT environment and to develop more detailed management procedures to enhance the overall security and operational reliability of the Bank's IT environment.

The ICT and Security Risk Management Policy aims to ensure that all ICT and security risks are identified, analyzed, measured, monitored, managed, reported and kept within the limits of the Bank's risk appetite.

The following roles are assigned to relevant staff for specific tasks concerning ICT security matters:

Information Security Officer (Deputy Managing Director): to establish and maintain the Bank's vision, strategy, and program to ensure information assets and technologies are adequately protected.

IT Supervisor (Administration Manager): to supervise and control the overall operations of the ICT environment of the Bank.

IT Officer: to maintain day-to-day ICT operation tasks.

e.16 Climate-related and environmental Risk

UTB has integrated climate-related and environmental considerations into its Strategic Plan, Plan of Risk Management, the Risk Appetite Principles, the Major Risk Management Indices, the Credit Policy, and Credit Procedures. An assessment conducted on 27.03.2024 identified credit risk as the most significant climate-related risk, given its direct link to borrower defaults and financial instability during climate events. Other risks, such as market, liquidity, operational, and strategic, were assessed to have relatively limited exposure.

To enhance risk management in this area, the Procedure of ESG Risk Assessment on Corporate Loans (Annex 38) was established on 30.04.2025. This framework aims to mitigate ESG and climate-

related risks, guide capital allocation toward sustainable sectors, and strengthen disclosure practices.

Climate-related and environmental risks are also incorporated into ICAAP stress testing. Six IPCC-aligned scenarios—such as Net Zero by 2030, Disorderly Transition by 2050, and Fragmented Transition by 2050—have been tested. As of end-June 2026, the Tier 1 and Total Capital ratios under all tested scenarios remain compliant with regulatory requirements.

e.17 ESG Risk

The Board of Directors oversees the implementation of the EBA Guidelines on the management of ESG risks (EBA/GL/2025/01), which will become applicable on 11.01.2027.

To support compliance with the Guidelines, UTB is incorporating ESG risk considerations into its governance framework, strategic planning process and risk management framework. The implementation includes:

- conducting an ESG Materiality Assessment at least once every two years;
- establishing and maintaining a Transition Plan in accordance with Article 76(2) of CRD VI; and
- incorporating ESG considerations into the Risk Management Policy, Risk Appetite Framework, Plan of Risk Management and Strategic Plan.

The first ESG Materiality Assessment is scheduled to be submitted to the Board of Directors during the second half of 2026 as part of the annual update of the Plan of Risk Management.

The Transition Plan is scheduled to be submitted to the Board of Directors together with UTB's 2027 Strategic Plan, in accordance with the EBA Guidelines, which require transition plans to be reviewed whenever an institution updates its business strategy. The Risk Management Policy and the Risk Appetite Framework will be updated through UTB's annual governance review process to reflect the requirements of the EBA Guidelines.

UTB expects to complete the implementation of the Guidelines before their application date and will continue to monitor regulatory developments to ensure ongoing compliance.

e.18 New Product Risk Assessment

In accordance with Article 4:164 of the Governance Manual for the Banking Sector dated 11 October 2022, UTB established the New Product Approval Policy (Annex 39). This policy ensures

that potential risks are identified and appropriate mitigation measures are in place prior to the launch of any new product.

According to paragraphs 4:184 to 4:186 of the NBB Governance Manual for the Banking Sector dated 11 October 2022, a Risk Manager Activity Report is submitted to the Board of Directors on an annual basis. The report outlines the risk management activities carried out during the reporting period, as well as the resources allocated for their execution. The most recent report was submitted on 11.05.2026.

In accordance with Article 4.1.2.2.2 of the Governance Manual issued by the National Bank of Belgium, the Board of Directors have to regularly evaluate the independent control functions. Additionally, paragraph 172 of the EBA guidelines on internal governance (EBA/GL/2021/5) requires the Board to review the performance of the heads of these internal control functions. The independent control functions of UTB include: (i) Internal Audit, (ii) Audit and Risk Committee, (iii) Compliance Function, and (iv) Risk Management Function.

The most recent evaluation was conducted on 11.05.2026. The conclusions were as follows:

- (1) Internal Audit: The Internal Audit Function is appropriately established and operates in an independent and effective manner within UTB. Following the External Quality Assessment Review (QAR), the Internal Audit Function updated its Audit Charter and Audit Methodology to ensure alignment with the latest IIA Standards and formally established a Quality Assurance & Improvement Program (QAIP). In addition, six audit recommendations were issued in 2025, contributing to the continued strengthening of UTB's internal control framework. The Board confirms that the Internal Audit Function continues to provide independent and objective assurance, thereby supporting sound governance, effective risk management and regulatory compliance.
- (2) Audit and Risk Committee: The Audit and Risk Committee performs its responsibilities in accordance with the Belgian Banking Law and the NBB Governance Manual. The Board acknowledges that the appointment of an additional locally based independent director, in line with the NBB's expectations, further strengthens the effectiveness of the Committee's oversight and enhances UTB's governance and regulatory compliance framework.

- (3) Compliance Function: The Compliance Function operates in accordance with applicable regulatory requirements. No material non-compliance issues were identified in 2025, and all regulatory reporting obligations were fulfilled in a timely manner. The Compliance Function continues to provide effective oversight and advisory support, thereby contributing to a sound governance framework and a strong compliance culture within UTB.
- (4) Risk Management Function: The Risk Management Function operates in line with applicable regulatory requirements. The enhanced Plan of Risk Management provides a structured and comprehensive assessment of UTB's risk profile, while the Risk Manager Activity Report ensures transparent reporting of key risk management activities. The Board considers that the Risk Manager effectively oversees and monitors UTB's principal risks, thereby supporting prudent risk-taking and UTB's long-term stability.

6 *Structural organization.*

6.1 Operational Structure (Cfr. Annex 17 Organization Chart)

Given the small size of the bank, all activities are concentrated in three business lines under the direct supervision of the Managing Director:

- **The Administration Manager is responsible for:**
 - ◇ Country risk and sector concentration risk
 - ◇ processing of the daily operations
 - ◇ Accountancy
 - ◇ General Administration
 - ◇ Budget
 - ◇ Acting as IT Supervisor to supervise and control the overall operations of the ICT environment of the Bank.
- **The Loan Manager is responsible for:**
 - ◇ Credits
- **The Treasury Manager is responsible for the:**
 - ◇ Funding of the activities
 - ◇ Investments in Securities
 - ◇ Management of the interest rate risk, the liquidity risk and the currency risk
- **The Deputy Managing Director is responsible for:**

- ◇ Human Resources;
 - ◇ Physical safety, guarding and security;
 - ◇ Risk Management.
 - ◇ AML Supervisor
 - ◇ Compliance Function
 - ◇ Acting as Information Security Officer to establish and maintain the Bank's vision, strategy, and program to ensure information assets and technologies are adequately protected.
- **The Compliance Officer / AMLCO is responsible for :**
 - ◇ Compliance;
 - ◇ Enforcement of the law on money laundering;
 - ◇ Implementation of the prevention policy in fiscal matters;
 - **The Loan Officer is responsible for :**
 - ◇ Credits
 - **The Compliance/AML Assistant, reporting to both the Compliance Officer and the Deputy Managing Director, assists the Compliance Officer and the Deputy Managing Director, with:**
 - ◇ Compliance matters;
 - ◇ Anti-Money Laundering and Counter-Financing of Terrorism matters;
 - ◇ Risk Management matters;
 - ◇ ESG and Climate-related and environmental risk matters.
 - **The IT Officer is responsible for :**
 - ◇ Maintaining day-to-day ICT operation tasks;
 - ◇ Reviewing and updating IT policies and procedures;
 - ◇ Ensuring compliance with the Digital Operational Resilience Act (DORA) ;
 - ◇ Maintaining and managing core banking system software and hardware.

A Management Committee of two members, the Managing Director and the Deputy Managing Director, appointed by the Board of Directors, and is vested with the broadest powers to perform all acts necessary or useful for the achievement of the object of the company, with the exception of acts reserved for the General Meeting or to the Board of Directors by the laws and regulations applicable to credit institutions and by the Belgian Code of Companies and Associations.

The Management Committee is a collegiate body which is exclusively composed of members of the Board of Directors. The Management Committee has at least two members.

The members of the Management Committee are appointed and dismissed by the Board of Directors. The Board of Directors sets the terms of office of the members of the Management Committee, including their remuneration, the duration of their mission and the mode of operation of the Management Committee.

The Management Committee may delegate the day-to-day management of the company to one or more members of the Management Committee, who can act alone.

The Management Committee meets as much as necessary to permit an effective and efficient management of the bank.

The Management Committee has delegated in conformity with Art. 19 of the bank's charter all powers of daily management to the Managing Director and to the Deputy Managing Director, each of them being authorized to act alone.

The Advisor, also acting as an Compliance Officer and AMLCO, will assist the members of the Management Committee in specific tasks described in annex 18.

6.2 Outsourcing

Under the responsibility of the Board of Directors and of the Management Committee, some activities and processing are outsourced, given the small size of the bank. Outsourcing Policy was lastly amended on 11.12.2025. (Annex 33)

- Internal Audit: on 19 June 2006, an agreement was signed with Luc Callaert BV, external registered chartered accountant company, who performs all the necessary internal audits of the bank as from 01.01.2006. The last extension for the period 2024-2026 was agreed on 28.12.2023. See annex 19 - Cfr. above sub. 5.2.
- Payroll: a contract was signed with Asbl Partena, an agreed social secretariat for employers. An updated contract is under review and will be signed shortly.
- SWIFT Infrastructure: UTB outsourced its SWIFT infrastructure to a certified SWIFT Service Bureau, equensWorldline, located in Belgium. Outsourcing contract was signed on 20.07.2006.

- Storage of Archives: The service is provided by Merak. Outsourcing contract was signed on 14.12.2007.

6.3 Products and services

The small size of the bank explains that only a limited number of products are offered:

- Loans and advances to credit institutions and to corporate customers and sovereign/semi-sovereign borrowers, which are conducted via participating in the syndicated loans mainly in the primary market.
- Debt securities including fixed income securities and floating rate notes issued mainly by credit institutions.
- Current account and Term Deposits are mainly offered to the staff of the UTB and the staff of the Taipei Representative Office in Belgium.

These assets represent nearly the totality of its balance sheet and are financed by our own funds and by inter-bank indebtedness obtained from the 3 shareholders banks and from the Central Bank of the Republic of China (Taiwan). In order to comply with NSFR and enhance risk management, the bank secured the following facilities: a 5-year EUR 300 million revolving facility from its parent bank, TCB; a 3-year EUR 70 million term facility from TCB; a 5-year EUR 90 million term facility from CTBC Bank; a 3-year EUR 30 million term facility from First Commercial Bank; a 3-year EUR 30 million term facility from Chang Hwa Commercial Bank; a 3-year EUR 50 million term facility from YuanTa Commercial Bank; and a 5-year EUR 100 million syndicated term facility arranged by Taipei Fubon Commercial Bank. The bank is not trading interest rate swaps nor other derivative instruments.

- 6.4 Geographical perimeter of activities: although the bank holds a worldwide spread asset portfolio, its only seat of activity remains located in Belgium in its Brussels head office.

- 6.5 Business Continuity Plan: Cfr. Annex 21.

7 *Strategic objectives – Business values – Integrity policy – Conflict of Interests*

As Corporate Governance cannot be realized alone through structural organization procedures and control mechanisms, the management of the bank has also fixed corporate objectives, business values, internal codes of conduct and formal

instructions concerning implementation of activities with integrity and involvement of all concerned parties.

7.1 Action plans

- Policy Memorandum about the Interest Rate Risk and Liquidity Management (Cfr. Annexes 9 to 10.1).
- The Investment Portfolio Policy (Cfr. Annex 12).
- ICAAP Procedure (Cfr. Annex 14)
- ILAAP Procedure (Cfr. Annex 15)
- Business Continuity Plan
- Compliance and AML/CFT Action Plan
- Risk Appetite
- Major Risk Management indices
- Yearly budget

7.2 Internal codes of conduct

- Integrity Policy (Cfr. Annex 22).
- Internal Employment Rules (Cfr. Annex 23, 23.1).

7.3 Internal Rules concerning External Functions (Cfr. Annex 24) and concerning Credits to Bank Managers (Annex 25). The Internal Rules concerning External functions are reviewed every year. It has been updated and approved by the Board on 11.12.2025.

7.4 Regulations Governing Acquisition/Disposal of Assets (Annex 26)

7.5 ROC Financial Holding Cy Act. Regulations and authorization (Annex 27).

7.6 Disclosure of malpractice - Whistleblowing

All members of the personnel have to sign for acknowledgement our Regulation of Whistle blowing. (Cfr. Annex 28).

7.7 Customers complaints processing

The “**Procedure to handle the customer complaints of United Taiwan Bank**” was drafted based on the remark by the Internal Auditor on the Q2 2018 audit report. In addition to the customer complaint procedure which describes the handling of customer complaints internally in UTB, we have included in our revised “General Terms and Conditions” which are sent to our customers, the way they can submit complaints to UTB.

The Procedure provides more details about how the complaints have to be submitted the processing procedure, the delegated manager to be contacted by

the customer, the processing period, the status of follow-up to make sure the complaints are accepted, retention of the documents and evidences, disseminating and the training to the staff, etc. The Procedure was approved by the Management Committee of 21.08.2018 and the Board of 18.12.2018 respectively. (Cfr. Annex 29)

7.8 Remuneration Policy (Cfr. Annex 30)

7.9 Transactions on Financial Instruments for members of staff (Crf. Annex 31)

7.10 Tax Prevention Policy

Reference is made to NBB circular NBB_2021_16 of 06 July 2021, NBB circular 2021_17 of 6 July 2021, and the law of 2 June 2021 containing various financial provisions on the fight against fraud. The NBB expects the financial institutions to critically examine and, where necessary, to install, to adjust and to update their tax prevention policy. The Board of Directors' meeting held on 16.12.2021 approved the Tax Prevention Policy.

7.11 Conflict of Interest Policy (Cfr. Annex 40)

8 *Policy to make public the applied principles.*

This Corporate Governance Memorandum will be approved by the Board of Directors.

It will be adapted as soon as significant modifications to the management structure and to the organization will require it.

Anyway, it will be yearly reviewed and evaluated.

Disclosure of the contents of this memorandum are done by informing our Stakeholders (Shareholders, external auditors, members of personnel etc...) of its existence and by providing them sufficient information thereon.

This memorandum will also be published in our website.

9 This Corporate Governance Memorandum was approved and reviewed by our:

- Management Committee of 18.02.2008, 27.06.2008, 09.02.2009, 26.02.2010, 15/02/2011, 27.02.2012, 04.03.2013, 14.02.2014, 22.04.2015, 26.02.2016, 27.02.2017, 22.02.2018, 25.01.2019, 01.04.2020, 01,04,2021, 29.03.2022, 29.03.2023, 17.07.2024, 10.07.2025, 01.07.2026.

- Board of Directors of 21.05.2008, 28.10.2008, 11.05.2009, 13.05.2010, 17/05/2011, 25.05.2012, 28.05.2013, 21.05.2014, 20.05.2015, 20.05.2016, 09.05.2017, 14.05.2018, 07.05.2019, 20.05.2020, 10.05.2021, 12.05.2022, 25.04.2023, 04.11.2024, 11.12.2025, XX.XX.2026.

Annexes to the Corporate Governance Memorandum

1. Articles 8 to 18 of the Articles of Association of UTB; (approved by the General Shareholders' Meeting on 15.06.2023)
2. Internal regulations (Terms of Reference) of the Board; ([09.06.2026](#))
3. The Audit and Risk Committee Charter; (09.05.2017)
4. Audit Charter; ([11.12.2025](#))
- 4.1 Internal Auditors' Code of Professional Ethics; (09.05.2017)
5. Compliance Charter; ([11.05.2026](#))
- 5.1 Circular Letter NBB/FSMA 2012-14 of 04.12.2012 on Compliance;
- 5.2 Annual Compliance and AML/CFT Action Plan; ([31.03.2026](#))
6. Compliance Risk Assessment; ([31.03.2026](#))
7. Guidelines for Deposit and Remittance Activities; ([11.12.2025](#))
- 7.1 Board Assessment Report on compliance function; ([11.05.2026](#))
8. Guidelines Governing Anti-Money Laundering and Countering the Financing of Terrorism ([11.12.2025](#))
9. Policy Memorandum about interest rate risk and liquidity management; ([11.05.2026](#));
10. (empty)
11. Counterparty risks and Funding Gap Positions: The Criteria for Delegation of Authority for Handling International Financial Business; (10.12.2019)
12. The Investment Portfolio Policy; ([11.12.2025](#))
13. Country Risk Allocation Rules; ([20.03.2026](#))
- 13.1 International organizations (06.10.2010)
- 13.2 Provisioning for country risk (31.12.2010)
14. ICAAP Procedure; (11.04.2017)
15. ILAAP Procedure; (14.06.2018)
16. [The Management Committee Report on the Effectiveness of Organizational Measures; \(29.01.2026\)](#)
- 16.1 Evaluation Rules of Financial Statements (04.11.2024);

17. Organization Chart of UTB; ([16.02.2026](#))
18. List of tasks of to be effected by the Advisor;
19. Internal audit: agreement of 19.06.2006, 13.10.2008, 12.12.2011, 04.12.2014, 08.01.2018, 11.11.2020, and 28.12.2023 with Luc Callaert BV;
20. (empty)
21. Business Continuity Plan; (14.05.2025)
22. Integrity Policy; ([11.05.2026](#))
23. Règlement de travail; (02/2013)
- 23.1 Internal Employment Rules; (15.02.2007)
24. Internal Rules concerning External Functions; ([11.12.2025](#))
25. Code of conduct for credits to Bank Managers or to companies in which they have an interest (29.09.2005);
26. Regulation Governing Acquisition/Disposal of Assets; (15.06.2023)
27. Regulation on Credit and Trading Processing under the Financial Holding Cy Act; (04.11.2024)
28. Whistleblowing Policy; ([11.05.2026](#))
29. Procedure to handle the customer complaints of United Taiwan Bank; (26.09.2018)
30. Remuneration Policy; ([11.05.2026](#))
31. Transactions on Financial Instruments for staff members. (03.04.2003)
32. Credit Policy; (11.02.2025)
- 32.1 Credit Procedures; ([26.03.2026](#))
33. Outsourcing Policy; ([11.12.2025](#))
34. Tax Prevention Policy; ([11.05.2026](#))
35. Plan of risk management; ([11.12.2025](#))
36. Risk Management Charter; ([11.12.2025](#))
37. Risk Management Policy; ([11.12.2025](#))
38. The Procedure of ESG Risk Assessment on Corporate Loans; ([22.04.2026](#))
39. New Product Approval Policy ([15.09.2025](#))

40. UTB Conflict of Interest Policy at the Institutional Level and for the Directors and Staff of UTB (11.05.2026)
41. Fit and Proper Policy (11.12.2025)