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| Title : | The Points for a Person Applying for Holding More than Fifteen Percent (15%) of the Total Amount of the Voting Shares Issued by the Same Bank  |
| Date : | 2009.09.08 |
| Legislative : | Date : October 2, 2007 Ref. No. : Chin-Kuan-Yin-(1)-Zi-09610003350 2.Abolished on September 08, 2009 |
| Content : | <p>1. This Points is formulated pursuant to Article 25 of the Banking Act of the Republic of Law especially, with the aims of strengthening the eligibility of a shareholder who/which holds more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank, reinforcing the share management system and simplifying the administrative review procedure.</p> <p>2. The terms “financial holding companies,” “shares owned by … the Government” and “financially troubled institutions” stated in Paragraph 2, Article 25 of the Banking Act of the Republic of Law are defined as follows:</p> <p>(1) “Financial holding companies” : The term means domestic financial holding companies and "foreign financial holding company."</p> <p>(2) “[S]hares owned by … Government” : The term means the shareholding which takes into account investments of the government and reinvestments of state-owned enterprises in the calculation.</p> <p>(3) “Financially troubled institutions” : The term means that a bank encounters the situation stated in Article 62 of the Banking Act of the Republic of China that it fails to pay the liabilities when due or risks damage to depositors' interests because of obvious adverse changes in its business or financial status; or it encounters the situation mentioned in Article 64 of the same Act that its losses exceed one third (1/3) of its capital.</p> <p>3. The same person or same concerned party who applies to hold more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank shall comply with the following qualifications:</p> <p>(1) The same person or same concerned party who does not fall in the circumstances listed in Article 3 of the Regulations Governing Qualification Requirements for Responsible Persons of Banks, save the circumstance stated in Paragraph 13 of the same Article.</p> <p>(2) The sources of capital of the same person or same concerned party are clear and definite.</p> <p>(3) The same person or same concerned party is clear about the information that he/she needs, or affects the financial supervision and management. In the event that the same person or same concerned party is a juristic person, the preceding Paragraph shall apply mutatis mutandis to the representative of the juristic person, or a natural person who is appointed by the juristic person to represent it for performing duties.</p> <p>4. The same person or same concerned party who wants to hold more than</p> |

fifteen percent (15%) of the total amount of the voting shares issued by the same bank shall prepare the following documents for application for holding voting shares:

- (1) Application (Table 1).
- (2) Application Form (Table 2).
- (3) Explanation Form of Sources of Capital (Table 3).
- (4) Declaration (Table 4).

The declaration as presented of the preceding Paragraph shall include that the applicant shall comply with the terms enclosed, which were determined at the approval of the Financial Supervisory Commission, Executive Yuan (hereafter called "the Commission").

5. The same person or same concerned party who wants to hold more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank shall prepare and submit relevant documents for application for holding voting shares in advance; it shall then notify the bank in writing and inform the Commission; the bank shall submit the application to the Commission subsequently. The application is deemed to be approved by the Commission in the case that the Commission does not show any objections to the application within fifteen (15) days of the second day when the documents for application for holding voting shares arrives at the Commission, except the grounds that the documents for application are not prepared or the Commission requires other necessary explanations from the applicants.

6. Points 3 to 5 of this Points on the eligibility and the application procedure are not applicable to financial holding companies and the Government which owns shares. The application procedure stated in Point 5 of the Points is not applicable to financially troubled institutions and these institutions shall submit applications for holding voting shares to the Commission.

7. Without the approval of the Commission, the same person or same concerned party shall not hold more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank.

After the Commission approves the application for the same person or same concerned party to hold more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank, its highest shareholding Ratio shall not exceed more than twenty-five percent (25%) of the total amount of the voting shores issued bank such a bank, except the approval from the competent authorities for the purposes of financial holding companies, the Government which owns shares, as well as dealing with the needs of financially troubled institutions.

In the event that the same person or same concerned party holds more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank without applying to and the approval of the Commission, such a shareholder shall be fined NT\$ 2 million and up but not more than NT\$ 10 million pursuant to Paragraph 3 of Article 128 of the Banking Act of the Republic of China. As per the part that the shareholder holds the voting shares in excess of the amount permitted, the Commission shall restrict his/her/its voting rights.

8. Any person who holds more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank before the fifth (5th) day

each month shall fill out an application form (Table 5) and notify the bank of the shareholding and the pledged shares of the last month. After the bank compiles the information before the fifteenth (15th) day each month, it shall file a report to the Commission through the Internet.

A fit agency institution which handles share-related affairs shall be commissioned to handle the reporting procedure stated in the preceding Paragraph.

In the event that a shareholder of the bank personally does not conform to the provision on the obligation for notification provided in Paragraph 1 by failing to notify the bank and such a failure results that the bank does not file a report to the Commission, the shareholder him/her/itself shall be subject to penalties pursuant to the provisions on penalties stated in Paragraph 1 of Article 133 of the Banking Act of the Republic of China. In the event that the failure to file a report to the Commission is resulted from the act of the bank itself, then the bank shall be subject to penalties.

9. After the Commission approves the application for the same person or same concerned party to hold more than fifteen percent (15%) of the total amount of the voting shares issued by the same bank and later, the same person or same concerned party does not conform to any of the circumstances listed in Point 3, he/she/it shall notify the bank immediately and the bank shall then notify the Commission. Depending on the seriousness of an affair, the Commission shall impose a punishment by appealing its approval.

A bank which knows that any shareholder holding more than fifteen percent (15%) of the total amount of the voting shares issued by it falls in the circumstance stated in the preceding Paragraph, shall notify the Commission voluntarily.