D. Employees' bonuses to managers

Unit：NT$

| Title | | Name | Bonus - in Stock | Bonus - in Cash | Total | Ratio of Total Amount to Net Income (%) |
|---|---|---|---|---|---|---|
| Executive Officers | President | Charles-W. Chung | 0 | 0 | 0 | 0 |
| | Exec.Vice President | Chun-Ching Ko | | | | |
| | Exec. Vice President | Yi-Jong Liou | | | | |
| | Chief Auditor | Chung-Chen Lin | | | | |
| | Chief Secretary | Tsui-Mei Hsu | | | | |
| | Business Management Dept., Vice President and General Manager | Ming-Hung Wu | | | | |
| | Research & Development Dept., Vice President and General Manager | Johnson Huang | | | | |
| | Risk Management Dept., Vice President and General Manager | Ting-Lien Lin | | | | |
| | Credit Management Dept., Vice President and General Manager | Jin-Ann Wang | | | | |
| | Human Resources Dept., Vice President and General Manager | Mei-Ling Chen | | | | |
| | Administration Dept., Vice President and General Manager | Trey-Shin Lee | | | | |
| | Legal Affair Dept., Vice President and General Manager | Te-Chin Chou | | | | |
| | Treasury Dept., Vice President and General Manager and OBU, General Manager | J.C. Shou-Jen Chen | | | | |
| | Information Technology Dept., Vice President and General Manager | I-Fen Chen | | | | |
| | Municipal Treasury Dept., General Manager | Pi-Jung Ko | | | | |
| | Business Dept., General Manager | Anna Hsu | | | | |
| | International Banking Dept., General Manager | Ming-Jong Su | | | | |
| | Trust Dept., General Manager | Shiow-Jen Tsai | | | | |
| | Wealth Management Dept., General Manager | Jung-Tai Chang | | | | |
| | Chi Hsien Branch, General Manager | Chin-Tzay Yan | | | | |
| | Feng Shan Branch, General Manager | Chung-Hui Wang | | | | |
| | Chien Chin Branch, General Manager | Yi-Chen Yu | | | | |
| | San Min Branch, General Manager | Yen-Ching Hsien | | | | |
| | Tso Ying Branch, General Manager | Mei-Chu Chang | | | | |
| | Hsiao Kang Branch, General Manager | Jin-Biau Tsai | | | | |

| Title | Name | Bonus - in Stock | Bonus - in Cash | Total | Ratio of Total Amount to Net Income (%) |
|---|---|---|---|---|---|
| Tao Yuan Branch, General Manager | Chuan- Pin Kao | | | | |
| Chien Chen Branch, General Manager | Chi-Jen Lin | | | | |
| Yu Chang Branch, General Manager | Ming-Fu Hsieh | | | | |
| Wan Nei Branch, General Manager | Yuan-Chin Shiang | | | | |
| Pin Tung Branch, General Manager | Hsien-Cheng Huang | | | | |
| Kwei Lin Branch, General Manager | Chi-chang Chen | | | | |
| Liu Ho Branch, General Manager | Ju-Chen Lu | | | | |
| Nan Tze Branch, General Manager | Wei-Min Wu | | | | |
| Ku Shan Branch, General Manager | Cia-Cheng Wu | | | | |
| Chien Kuo Branch, General Manager | Hsien-Kuo Chen | | | | |
| Chiu Ju Branch, General Manager | Shiu-Hui Liu | | | | |
| Yen Cheng Mini Branch, General Manager | Shiow-Lien Su | | | | |
| Tsao Ya Branch, General Manager | Ching-Tsan Chne | | | | |
| Banciao Branch, General Manager | Te-Ching Wan | | | | |
| Tai Nan Branch, General Manager | Ming-Ta Yang | 0 | 0 | 0 | 0 |
| San To Branch, General Manager | Hueng-Fen Yen | | | | |
| Da Fa Branch, General Manager | Wen-Hau Sher | | | | |
| Ta Chih Branch, General Manager | Aaron Ting | | | | |
| Tai Chung Branch, General Manager | Duncan Tsai | | | | |
| Chi Chin Mini Branch, General Manager | Fang-Lan Lin | | | | |
| Nan Kaohsiung Branch, General Manager | Shen-Wen Guo | | | | |
| Ta Chang Branch, General Manager | Wen-Lueh Su | | | | |
| Hsin Chu Branch, General Manager | Hsien- Chung Liao | | | | |
| Shih Fu Branch, General Manager | Chiu-Chin Huang | | | | |
| Chung Ho Branch, General Manager | Don Huang | | | | |
| Taipei Branch General Manager. | Chuck Chen | | | | |
| Min Cheng Branch, General Manager | Li-Hwa Chen | | | | |
| Pei Kaohsiung Branch, General Manager | Hwa-Jen Lee | | | | |
| Po Ai Branch, General Manager | Yeh-Shing Wang | | | | |

Note: On-balance sheet employees' bouns, i.e. the employees' bouns bo be distributed to the officers as approved by the Board of Directors before the shareholders' meeting for proposal of distribution of earnings for 2011.

## 3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A total of 8 meetings of the board of directors were held in the previous period.

Director attendance was as follows:

| Title | Name | Attendance in Person (B) | By proxy | Attendance ratio (%) | Remarks |
|---|---|---|---|---|---|
| Chairman | Hsian Chunt Tsai (Representative of Kaohsiung City Government) | 7 | 0 | 100.00 | Elected on Jun. 22, 2011, 7 times of should be attendance |
| Independent Director and Managing Director | Wen-Yuan Lin | 6 | 0 | 75.00 | None |
| Managing Director | Chien-Sheng Hao (Representative of Kaohsiung City Government) | 2 | 1 | 66.67 | Resigned on July 16, 2011, 3 times of should be attendance |
| Director | Chien-Sheng Hao (Representative of Kaohsiung City Government) | 3 | 1 | 60.00 | Elected on July 16, 2011, resigned on Jan. 9, 2012, 5 times of should be attendance |
| Managing Director | Ruey-Tsand Lee (Representative of Kaohsiung City Government) | 7 | 1 | 87.50 | None |
| Independent Director | Mei-Yueh Ho | 8 | 0 | 100.00 | None |
| Independent Director | Tzen-Ping Su | 7 | 0 | 87.50 | None |
| Director | Richard Lee (Representative of Kaohsiung City Government) | 7 | 1 | 87.50 | None |
| Director | Yuan- Pei Chou (Representative of Kaohsiung City Government) | 8 | 0 | 100.00 | None |
| Director | Jueifang P. Chen (Representative of Kaohsiung City Government) | 7 | 0 | 87.50 | None |
| Director | Li- Ming Hsu (Representative of Kaohsiung City Government) | 7 | 0 | 87.50 | None |
| Director | Chien-Tsai Chao (Representative of Kaohsiung City Government) | 5 | 2 | 62.50 | None |
| Director | Wen-Ching Yang (Representative of Heng Fong Asset Management Co., Ltd.) | 3 | 1 | 37.50 | None |

Others

1. The effort of directors in preventing a “conflict of interest”:
   (1) 10th special directors’ meeting of 10th term was called to review the qualification of candidates for the Company's independent directors of 11th term. The interested party, Standing Director Lin Wen-Yuan, avoided the meeting accordingly.
   (2) 4th directors’ meeting of 11th term was called to discuss the appointment of Compensation Committee members. Three independent directors avoided the meeting accordingly.
2. Progress assessment of the 2011 agenda – empowerment of the Board of Directors:
   All members of the Bank’s Board of Directors execute business with care and loyalty, and perform their duty according to the relevant laws and the Bank’s articles of incorporation to protect the Bank’s and shareholders’ interests and rights. The Bank also amended the “Rules for Board Meetings of the Bank of Kaohsiung”, “Parliamentary Rules for Shareholders’ Meeting of Bank of Kaohsiung”, “Rules for Election of Directors and Supervisors of Bank of Kaohsiung”etc., in order to upgrade the functions and operations of the Board of Directors.

3.3.2 Attendance of Supervisors for Board Meetings

A total of 8 meetings of the board of directors were held in the previous period.
Supervisor attendance was as follows:

| Title | Name | Attendance in Person | Attendance ratio (%) | Remarks |
|---|---|---|---|---|
| Supervisor | Tsai Yung Yu (Representative of Jinn Her Enterprise Co., Ltd.) | 4 | 50.00 | None |
| Supervisor | Yu-Hui Su | 5 | 62.50 | None |
| Supervisor | Shan-Hui Chang | 7 | 87.50 | None |

Other mentionable items:

1. Composition and responsibilities of supervisors:

(1) Communication between supervisors and the Bank's employees and shareholders:
Supervisors will contact the Auditing Dept. of the Board of Directors, Secretary's Dept. of the Board of Directors and Business Management Dept. from time to time, and review the condition of the Bank.

(2) Communications between supervisors and the Bank's Chief Internal Auditor and CPA:
Supervisors often communicate with the Auditing Dept. of the Board of Directors, Business Management Dept., and the independent CPA for this Bank's finance and business via written materials or meetings. This communication is helpful for the execution of the motions proposed in the board of directors' meetings. 4 sessions of supervisors meeting were held in 2011.

2. Supervisor expresses an opinion during a meeting of the Board of Directors:

| Board of Directors | | | | |
|---|---|---|---|---|
| Date | Term | Content | The Resolutions | The execution of the resolutions |
| 100.07.14 | 3rd board of directors' meeting of 11th term | New "Financial Derivatives Risk Management Regulations of Bank of Kaohsiung"<br>Supervisor Yu-Hui Su remarks:<br>I suggest that the tests to be performed for the time being should be conducted altogether under different levels and at different time. Then, the business is initiated at the first; therefore, please carry out it on a trial basis to ensure its compliance with the new requirements. | Acknowledged by all of the present directors | Supervisor Su's comments shall be adopted. |
| 100.10.20 | 3rd board of directors' meeting of 11th term | Implementation of the Bank's plan to adopt IFRS<br>Supervisor Yu-Hui Su remarks:<br>For the time being, various countries are under the pressure about when IFRS 9 "Financial Instruments" will be enforced officially and what changes will be made upon enforcement thereof. Notwithstanding, once it is confirmed to be enforced, it will produce material effect to the Bank. Therefore, I suggest that Business Administration should collect the information related to IFRS 9 and take part in the relevant seminars as possible as it can, so as to help it plan the relevant countermeasures. | Acknowledged by all of the present directors | Supervisor Su's comments shall be adopted. |

3.3.3 For the Disclosures Required by the "Guidelines for Bank Corporate Governance"：Please refer to www.bok.com.tw.

3.3.4 The Differences between the Corporate Governance Practice of the Bank and the "Guidelines for Bank Corporate Governance":

| Item | Operation | The Difference from Coporate Governace Best Practice Principles for Banking Industry and Reason |
|---|---|---|
| A. Equity Structure and Shareholder Rights | | |
| 1. Method of handling shareholder suggestions and disputes | 1. The Bank has installed hot lines and e-mail boxes exclusively for shareholders' suggestions and resolutions. | 1. In accordance with the "Guidelines for Bank Corporate Governance" article 19. |
| 2. Name list of shareholders with controlling interest, and ultimate controllers of major shareholders | 2. The major shareholder of the Bank is Kaohsiung City Government, holding 45.28% of the Bank's shares. Its representative also performs his duty pursuant to the rules governing investment by Kaohsiung City Government in the Bank. | 2. In accordance with the "Guidelines for Bank Corporate Governance" article 20 & 27. |
| 3. Mechanism for controlling risk with related companies, and firewall method | 3. The Bank controls its affiliated enterprises in accordance with the guidelines governing the Bank's supervision of subsidiaries. | 3. In accordance with the "Guidelines for Bank Corporate Governance" article 21. |
| B. Organization and Responsibilities of the Board of Directors | | |
| 1. Does the Bank set seats for independent directors? | 1. The Bank has elected Wen-Yuan Lin, Mei-Yueh Ho and Tzen-Ping Su as independent directors in the general shareholders' meeting in 2011. | 1. In accordance with the "Guidelines for Bank Corporate Governance" article 31. |
| 2. Regular assessment of independence of CPA | 2. (1) Assessments: Auditors were assessed for their independence. They must not act as a director, supervisor, or employee of the Bank; nor can they own, directly or indirectly, more than 1% of the Bank's outstanding share capital or become one of the Bank's top ten natural person shareholders. The auditor's firm must issue a declaration of independence.<br>(2) Frequency of assessment: The assessment of independence is reported to the Board of Directors once a year. | 2. In accordance with the "Guidelines for Bank Corporate Governance" article 38. |
| C. Establishment of Communication Channels with Materially Related Parties | | |
| The communication channels of the Bank and the related parties | 1. According to the Banking Act, the Bank will ask any materially related party to complete the materially related party's information form immediately after he / she is hired, and also provide the materially related party with the credit extension restrictions provided by the Banking Act and the competent authorities.<br>2. Have the materially related party's information as documented checked, verified and updated by the materially related party periodically. The Bank's communication with the materially related party is free from any interruption.<br>3. The Bank has appointed a spokesperson, installed toll-free hot line and email box to provide suggestion and explanation about questions to the Bank's customers and shareholders. Meanwhile, the Bank also holds the community wealth management symposiums and provides the in-house staff with the information about the corporate governance irregularly, and discloses the financial information in MOPS. | In accordance with the "Guidelines for Bank Corporate Governance" article 22 & 23. |

| D. Disclosure of Information | | |
|---|---|---|
| 1. Establishment of a website where information on financial operations and corporate governance is disclosed | 1. The Bank has established a website (www.bok.com.tw) where information on financial operations and corporate governance of the Bank is disclosed. | 1. In accordance with the "Guidelines for Bank Corporate Governance" article 69. |
| 2. Use of other methods for information disclosure | 2. The Bank's english website may be accessed from the said website. The spokesperson of the Bank is Chief Secretary Tsui-Mei Hsu. The Bank also appoints specialized personnel to collect and disclose the public information. | 2. In accordance with the "Guidelines for Bank Corporate Governance" article 67 & 68. |
| E. Operations of Functional Commissions Such as The Nomination or Compesation Committees Established by The Bank | The bank has established Compensation Committee on Dec. 29, 2011. | In accordance with the "Guidelines for Bank Corporate Governance" article 35 & 36. |

F. The Differences between the Corporate Governance Practice of the Bank and the"Guidelines for Bank Corporate Governance" Reasons for the Difference:

1. Does the Bank set independent supervisors?
   Article 14-4 of the "Securities and Exchange Act" expressly provides that a company shall install either of the audit committee or supervisor. For the time being, the Bank is having supervisors exercise their functions independently.

2. Is there a auditing committee？

The bank has established Compensation Committee on Dec. 29, 2011.

G. Important Information of Corporate Governance Practice of the Bank：

1. With investor related：The major shareholder of the Bank is Kaohsiung City Government, holding 45.28% of the Bank's shares. Its representative also performs his duty pursuant to the rules governing investment by Kaohsiung City Government in the Bank.

2. Employee rights: Please refer to page 60 "Fulfillment of Labor Rights".

3. Right of related parties: Please refer to page 28 "Establishment of Communication Channels with Materially Related Parties".

4. Training record of directors and supervisors in 2011：Please refer to Page 33 appendix Training record of directors and supervisors in 2011".

5. Execution of risk management policies and risk measuring standards：Please refer to page 105 "This Bank's risk management systems".

6. Execution of customers' policies：In order to improve the services provided to customers and communication with customers, we have a toll free hot line, and customer service window setup exclusively for credit, financial derivatives and negotiation mechanisms for consumers' financial debt.

7. Purchase of liability insurance by the Bank for directors and supervisors： The Bank has purchased "Directors, Supervisors & Officers Liability Insurance" from Chartis Taiwan Insurance Co., Ltd. On Jun. 3, 2011.

H. Corporate Governance Self-Assessment Report or Result of Assessment Report Made by Other Professional Organization on a Consignment Basis, Major Defects (or Suggestions) and Improvement Thereof : The Bank did not make the corporate governance self-assessment report before Mar. 2011.

3.3.5 The Bank Towards its Social Responsibility

| Item | Operation | Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons |
|---|---|---|
| A. Actualizing the Promotion of Corporate Governance Policies<br>1. Condition where the Bank sets forth Corporate Social Responsibility (CSR) policies or regulations and examines performance results from the implementation | The Bank has not set forth "Corporate Social Responsibility (CSR) Practice Principles" before Mar. 2012. | The Bank has not set forth "Corporate Social Responsibility (CSR) Practice Principles" before Mar. 2012. |
| 2. Condition where the Bank sets up full (part) time departments to promote the operation of corporate social responsibility | The Bank has not set up full (part) time departments to promote the operation of corporate social responsibility before Mar. 2012. | The Bank has not set up full (part) time departments to promote the operation of corporate social responsibility before Mar. 2012. |
| 3. Condition where the Bank regularly holds business ethics educational training and advocacy events for members of the board, supervisors and staff. The Bank also integrates the events with staff performance evaluation system to establish a clear and effective reward and penalty program | (1) In order to implement corporate ethics and promotional matters, relevant courses are held annually (such as business rules and professional ethics seminars) and directors, supervisors and employees are sent irregularly to participate in relevant professional courses held by professional training institutions.<br>(2) Employee ethics are included into annual performance review items.<br>(3) In order to implement enterprise ethics, "Employee Service Rules" are established for employees' compliance. In case of any report or assistance with any discovery of an illegal case or violation of rules, rewards or sanctions shall be granted or imposed considering the actual situation in accordance with the "Rules for Rewards and Sanctions for Employees". | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 11. |
| B. Develop Sustainable Environment<br>1. Condition where the Bank is devoted to enhancing the effective use of all resources and making use of recycled materials that pose the least impact to the environment | None. | The Bank has not devoted to enhancing the effective use of all resources before Mar. 2012. |
| 2. Condition where the Bank establishes appropriate environment management system according to industry characteristics | None. | The Bank did not establishe appropriate environment management system before Mar. 2012. |
| 3. Condition of setting up exclusive environment management department or personnel to protect the environment | Each division shall seek suppliers to be responsible for environmental maintenance work and designate dedicated personnel for guidance and management. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 15. |

| Item | Operation | Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons |
|---|---|---|
| 4. Condition where the Bank watches out for impact that weather changes have on operational activities and sets forth strategies in regards to the Bank's energy saving, carbon reduction and greenhouse gas volume reduction | 1. Old lighting fixtures shall be replaced by T5 energy-saving lighting fixtures and light tubes.<br>2. Adopt inverter air conditioning equipment as permitted under installation environment. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 18. |
| C. Protection of Social Wellness<br>1. Condition where the Bank follows related labor regulations, protects employees' legal rights and establishes appropriate management method and procedure | The relevant human resource rules and systems of the Bank are established based on relevant labor laws and regulations to specify employee rights and obligations. Further, to implement the protection of employee interest, starting from 2002, the Bank has been signing "group contracts" with the union (every three years). Most of the provisions under the group contracts are more favorable compared to provisions under existing relevant labor laws and regulations. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 19. |
| 2. Condition where the Bank provides its employees a safe and healthy working environment, as well as implements safe and healthy education regularly for the employees | 1. The Bank provides a working environment with employee safety and health in accordance with the "Labor Safety and Health Act". Also, in accordance with the "Regulations for Labor Health Protection", starting from 2002, the Bank pays for employee health examinations. The examination items and terms are both more favorable than the provisions under the "Labor Health Protection Regulation".<br>2. The Bank holds "First Aide Staff On-the-Job Training" and "On-the-Job Training for Executive of Labor Safety and Health" in accordance with the "Regulations for Labor Safety and Health Education and Training". Further, in order to improve employee health, safety and health professionals (such as Chinese and western medicine physicians, nutritionists and university professors, etc.) are invited to give "Health Seminars" irregularly. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 21. |
| 3. Condition where the Bank sets forth and makes public announcements of consumer rights policies, also provides transparent and effective consumer complaint procedure for its products and service | Execution of customers' policies：In order to improve the services provided to customers and communication with customers, we have a toll free hot line, and customer service window setup exclusively for credit, financial derivatives and negotiation mechanisms for consumers' financial debt. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 24. |
| 4. Condition where the Bank and supplier cooperate for the enhancement of business' social responsibilities | Cooperate with computer equipment maintenance supplier to select the usable portion of personal computer equipment abandoned by the Bank, make adjustments thereto and then donate them to disadvantaged groups. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 27. |

| Item | Operation | Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons |
|---|---|---|
| 5. Condition where the Bank participates in community development and related events hosted by charitable organizations through business activities, goods donation, volunteer service or other free professional service | The Bank has always prepared of public welfare activities in the past, and financially sponsored the various public welfare activities held by the government and private groups, and the various public welfare activities. Additionally, the Bank incorporated the "Bank of Kaohsiung Charity Foundation" to take part in the event together by adhering to the philosophy on "what is taken from the society is used in the interests of the society". The Bank also cares and feedbacks to society in a timely manner to fulfill the Bank's social duty. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 28. |
| D. Reinforce Information Revelation<br>1. Method where the Bank reveals information related to corporate social responsibility with relevance and accountability | Disclose information related to enterprise social responsibility in the annual report. | In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" article 29. |
| 2. Condition where the Bank edits reports in regards to corporate social responsibility as well as reveals and promotes corporate social responsibility | None | The Bank has not set forth reports in regards to corporate social responsibility before Mar. 2012. |
| E. A Bank that has set forth its own corporate social responsibility (CSR) in accordance to "Corporate Social Responsibility (CSR) Practice Principles for Listed (O.T.C) Company", please describe any difference between real execution and principles that have been set forth: The Bank has not set forth "Corporate Social Responsibility (CSR) Practice Principles" before Mar. 2012. | | |
| F. Other important information beneficial for understanding the operation of business' social responsibility (e.g., the Bank's execution in regards to environment conservation, participation in community activities, contribution to society, societal service, social welfare, consumer rights, human rights, sanitation safety and other social responsibility activities):Please refer to page 59 "social responsibility and moral behavior of the bank". | | |
| G. If the Bank's products or reports on corporate social responsibility have passed the verification standard set by related certification organization, further clarification shall be provided：None. | | |

## Appendix: Training record of directors and supervisors in 2011

| Period | Title | Name | Serves | Training Record | | |
|---|---|---|---|---|---|---|
| | | | | Class Name | Hours | Unit in Charge |
| Q1 | Managing Director | Chien-Sheng Hao | Secretary General, Kaohsiung City Government | Corporate governance and corporate competitive strengths | 3 | Taiwan Securities Association |
| Q2 | Acting Chairman | Ching-Dar Lei | Acting Chairman | Adoption of IFRS – Countermeasures against IFRS by directors/supervisors and high-rank management and discussion about strength in adoption of IFRS | 3 | Chinese National Association of Industry and Commerce |
| | Acting Chairman | Ching-Dar Lei | Acting Chairman | Speech for cooperation between Taiwan-based and Japan-based companies in the aftermath of the earthquake in Japan | 2 | Chinese National Association of Industry and Commerce |
| | Independent Director | Mei-Yueh Ho | Independent Director, Bank of Kaohsiung | Special seminar about core elements of Compensation Committee established by enterprise | 3 | Deloitte & Touche Law Office |
| | Supervisor | Yu-Hui Su | Professor, Accounting Department of Soochow University | Seminar about effect to financial industry by establishment of Compensation Committee | 3 | Taiwan Academy of Banking and Finance |
| Q3 | Chairman | Hsian Chung Tsai | Chairman | IFRSs kick-off meeting | 4 | Taiwan Stock Exchang |
| | Independent Director | Mei-Yueh Ho | Independent Director, Bank of Kaohsiung | Compensation Committee & Corporate Governance | 3 | Taiwan Corporate Governance Association |
| | Director | Chien-Sheng Hao | Director, Bank of Kaohsiung | Corporate Governance & Social Responsibility | 3 | Taiwan Securities Association |
| | Director | Yuan-Pei Chou | Routine Supervisor, Kaohsiung BAR Association | Corporate Governance & Social Responsibility | 3 | Taiwan Securities Association |
| | Director | Yuan-Pei Chou | Routine Supervisor, Kaohsiung BAR Association | Trust supervisors (including on-the-job) training session of 194th term | 3 | Taiwan Academy of Banking and Finance |
| | Director | Richard Lee | Partner Attorney, Yuan Chen Law Office | Development and operation of two functional committees of Board of Directors | 3 | Taiwan Corporate Governance Association |
| | Director | Jueifang P. Chen | President, Bank Of Kaohsiung Workers Union | Corporate Governance & Social Responsibility | 3 | Taiwan Securities Association |
| Q4 | Chairman | Hsian Chung Tsai | Chairman | Taipei Corporate Governance Forum of 7th term | 6 | Financial Supervisory Commission Executive Yuan, R.O.C. |
| | Independent Director | Mei-Yueh Ho | Independent Director, Bank of Kaohsiung | Countermeasures against frequent dispute and risk over investment by Taiwanese businessmen in Mainland China | 3 | Taiwan Securities Association |
| | Independent Director | Tzen-Ping Su | Chairman, Advance Media Social Enterprise Co., Ltd. | Cross-strait financial seminar – Opportunity and challenge potentially brought about by China's 12th five-year plan to Taiwan's industrial development and bank financing | 6 | Taiwan Academy of Banking and Finance |
| | Supervisor | Yu-Hui Su | Professor, Accounting Department of Soochow University | Special seminar about "Functions and Value Innovation of Compensation Committee" | 3 | Taiwan Corporate Governance Association（非本行派訓） |
| | Supervisor | Shan-Hui Chang | Head of EnWise CPAs & Co., Kaohsiung Location | Banking compliance officers' training seminar session | 3 | Bank of Kaohsiung |

3.3.6 Implementation Status of the Internal Control System

A. Declaration Enforcement of the Internal Control System

Bank of Kaohsiung

Declaration Enforcement of the Internal Control System

Attn：Financial Supervisory Commission, Executive Yuan Mar. 29, 2012

We, the Undersigned, hereby on behalf of Bank of Kaohsiung Co., Ltd. declared that during the period beginning Jan. 1, 2011 until Dec. 31, 2011, we did faithfully build the internal control systems and enforce risk control in accordance with “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries”. Further through detached and independent Audit Department, we conducted audit with audit reports duly submitted to the board of directors and supervisors on a periodic basis. We evaluated the effectiveness of its Internal Control System in accordance with the Guidelines for the Establishment of the Internal Control System by Public Companies (the Guidelines) set forth by the Securities and Futures Commission of the Financial Supervisory Commission. Through prudent assessment, all units of the Bank did faithfully enforce the internal control and legal compliance excepte those events listed on the attached table. The Statement of the Internal Control System will be a prominent feature of our annual report and prospectus, and will be released to the public. Should any statement herein involve forgery, concealment or any other illegality, Articles 20, 32, 171 and 174 of the “Security and Exchange Act” shall apply.

Declarants

Chairman

President

Chief Auditor

The Head Office’s Legal Compliance

（The content of the report is in conformity with the original declaration）