

**Private and Confidential**

19 August 2010

Mr. Michael Chang Ming Yuen  
Present

Dear Mr. Chang,

We are pleased to offer you the position of a Senior Consultant of Fubon Financial Holding Co., Ltd. (or the Company), reporting to the President of the Fubon Financial Holding Co., Ltd., currently Mr. Victor Kung. In the meantime, you will also concurrently be appointed as a senior representative of Fubon Insurance Co., Ltd. Beijing Office, reporting to the President of Fubon Insurance Co., Ltd., currently Mr. Steve Chen. In addition, subject to compliance with regulatory and/or internal procedures of Fubon Bank (Hong Kong) Limited, you agree to act as a Consultant of Fubon Bank (Hong Kong) Limited, reporting to the Managing Director and Chief Executive Officer of Fubon Bank (Hong Kong) Limited, currently Mr. Thomas Liang, during the subsistence of this Contract. Your board directorship with Fubon Bank (Hong Kong) will become non-executive in nature. The details of our offer are outlined below :

**1. Term of Appointment**

- 1.1 The term of the Appointment (subject to summary termination as provided in Clause 7) shall be for a contract term of one year commencing from 1 September 2010 to 31 August 2011.
- 1.2 Notwithstanding Clause 1.1 you may terminate your Appointment by giving to the Company not less than one (1) month prior notice. You shall serve out the one (1) month notice period or if you do not wish to serve out the one (1) month notice period then you shall make payment to the Company in lieu of the said notice period (or for the shortfall of

such notice period not served), such payment to be calculated based on pro-rata Monthly Salary.

- 1.3 Notwithstanding Clause 1.1 and subject to Clause 7, the Company can terminate your Appointment for whatever reason by giving to you not less than one (1) month prior notice in writing in which case the Company can either:
- (a) require you to serve out the one (1) month notice period; or
  - (b) make payment to you in lieu of the one (1) month notice period (or the shortfall of such notice period not required to be served) such payment to be calculated based on pro-rata Monthly Salary.
- 1.4 For the avoidance of doubt, if your Appointment is terminated by reason of summary termination, then payment under Clause 1.3 does not apply.

## **2. Remuneration**

- 2.1 Your consultancy fees will be HK\$200,000 for a period of twelve months. Such consultancy fees shall be payable to you in arrears on or about the 27<sup>th</sup> of each month.
- 2.2 Your Maximum Housing Allowance will be HK\$80,000 per month (in China). The Housing rentals will be reimbursed against the actual lease agreement or payment receipt. In case there is a residual amount, it will be payable to you as part of your salary. It is understood that you will set your family residence in Beijing. All business travel related expenses will be reimbursed by the Company and/or Fubon Insurance Co., Ltd. Beijing Office in China.

## **3. Benefits and Allowances**

- 3.1 You (and where relevant your spouse and dependent children) shall be entitled to all benefits and allowances made generally available to full time employees of the Company. Notwithstanding any other term of this Contract, the provision of any benefits and allowances to you shall be subject to the terms and conditions of the Work Rules, general guidelines, policies and procedures etc. adopted by the Company from time to time and to any applicable laws or regulatory guidelines.

3.2 **Other benefits** : You, as a consultant of Fubon Bank (Hong Kong) Limited, will be eligible for such staff benefits to which a full time employee of Fubon Bank (Hong Kong) Limited would otherwise be entitled (which include but not limited to medical insurance, staff loan, retirement scheme, annual leave, and preferential interest rate for staff current accounts). Details of the staff benefits and other terms of appointment as a Consultant of Fubon Bank (Hong Kong) Limited will be set out in the contract between you and Fubon Bank (Hong Kong) Limited. For the avoidance of doubt, you agree that your consultancy contract with Fubon Bank (Hong Kong) Limited will terminate without compensation upon termination of this Contract, and days on which you will take as annual leave under this Contract will be taken by you as annual leave with Fubon Bank (Hong Kong) as well.

**3.2.1 Annual Leave :**

You shall (in addition to the usual public statutory and other holidays) be entitled to an aggregate of 22 days annual leave in each year, such days to be taken at a time or times convenient to the Company provided that this entitlement is also subject to any further rules or requirements of the Company.

**3.2.2 Club**

You will be entitled to one social and one business related club/association membership in China and the annual/monthly membership fees will be for the account of the Company.

**3.2.3 Vehicles**

You will be entitled to a company car and a driver, the Company will bear the lease costs.

**3.2.4 Employee Stock Option**

Within the validity of your current contract, you may keep your stock option rights.

**4. Individual Income Tax**

You will be subject to the Tax Equalization Arrangement in accordance with the International Assignment Policy published by the Fubon Financial Holding Co., Ltd. (dated :23 October 2009)

**5. Restrictions during Appointment**

During the continuance of your Appointment you shall unless prevented by incapacity, devote your whole time and attention to the business of the Company and shall not without the prior written consent of the President;

- (a) engage in any other business, venture or otherwise; or
- (b) be concerned or interested in any other business of a similar nature to or competitive with that carried on by the Company or any of its subsidiaries;
- (c) engage in any part-time, social or voluntary work of any nature whatsoever, outside working hours.

**6. Confidentiality and Non-Disclosure**

6.1 During the course of your Appointment with the Company, you will have knowledge of, access to, acquire and/or be entrusted with confidential, proprietary and/or trade information in respect of the customers, businesses, finances and operations of the Company, its subsidiaries, affiliates or related entities, including but not limited to its dealings, accounts, transactions and affairs with its and their respective customers, agents and service providers ("Confidential Information").

6.2 You shall keep at all times secret and confidential all Confidential Information and shall not at any time (except in the proper course of your duties or with the Company's prior written consent) during your Appointment and/or after ceasing Appointment with the Company, disclose in any form (including copying) to any third party or otherwise make use of such Confidential Information in any way whether for financial gain, personal interest or for any other reason whatsoever (directly or indirectly). After ceasing Appointment with the Company for

any reason whatsoever (including summary termination) you are prohibited for a period of six (6) months thereafter from contacting customers of the Company for the purpose of procuring them to move their banking, financial or investment business to any other institution.

- 6.3 All Confidential Information (in whatever format held) acquired, received or copied by you during the term of your Appointment with the Company shall be the absolute property of the Company and shall be surrendered by you to the Company immediately at the time you leave the Appointment of the Company or at the request of the Company at any time during the course of your Appointment, and you undertake not to keep away copies thereof in any form.
- 6.4 The contractual obligations set out in these conditions shall survive termination or cessation of your Appointment with the Company.

## **7. Summary Termination**

Your Appointment of the Company may be summarily terminated by the Company without notice without payment in lieu of notice and without payment under Clause 1.3 and for the avoidance of doubt the following circumstances shall apply as justifying summary termination:-

- (a) if you are guilty of any gross default or misconduct (such conduct being inconsistent with the due and faithful discharge of your duties) in connection with or effecting the business of the Company or any subsidiary to which you are required by this Contract to render services; or
- (b) in the event of any serious or repeated breach or non-observance by you of any of the stipulations contained in this Contract and/or guidelines or policies issued by the Company and/or disobeys directions or orders given by the President; or
- (c) if you become bankrupt or make any composition or enter into any deed of arrangement with your creditors; or

- (d) if you are convicted of any criminal offence (other than an offence under road traffic legislation in China or elsewhere for which a fine or non-custodial penalty is imposed); or
- (e) if the work visa and consents required for you to work and reside in China or elsewhere as referred to are not in force or have been revoked; or
- (f) if you are convicted of an offence under present or future statutory enactment or regulations, in China or elsewhere, relating to insider dealing.

#### **8. Intellectual Property**

If at any time during the course of your Appointment with the Company you make or discover or conceive or participate in the discovery of any intellectual property relating to or is capable of being used in the business carried on by the Company, its subsidiaries, affiliates or related entities, full details of the intellectual property shall be forthwith reported by you to the Company and they shall constitute the absolute property of the Company. At the request and expense of the Company you shall give and supply all such information data drawings and assistance as may be required to enable the Company to exploit such intellectual property to the best advantage and shall execute all documents and do all things which may be necessary or desirable for obtaining patent or other protection for the intellectual property in such parts of the world as may be specified by the Company and for vesting full legal ownership of the same in the Company or as it may direct and you shall surrender forthwith whatever right you may have thereunder or in connection therewith at no cost to the Company.

#### **9. Restriction after Termination**

You are likely to obtain trade secrets and Confidential Information and personal knowledge of and influence over customers, clients and employees of the Company during the course of the Appointment. To protect these interests of the Company, you agree with the Company that you will be bound by the following covenants:

- 9.1 During three months after the Termination Date or if earlier, the date on which you commence any Garden Leave Period, you will not (either on

your own behalf or for or with any other person), whether directly or indirectly, canvass or solicit in competition with the Company or its affiliates the custom of any person who at any time during the 12 months prior to the Termination Date or if earlier, the date on which you commence any Garden Leave Period was a customer or client of or in the habit of dealing with the Company or its affiliates (as the case may be) and in respect of whom you had access to Confidential Information or with whose custom or business you were personally concerned or employees reporting directly to you were personally concerned;

- 9.2 During three months after the Termination Date or if earlier, the date on which you commence any Garden Leave Period, you will not (either on your own behalf or for or with any other person, whether directly or indirectly,) entice or try to entice away from the Company or its affiliate any person who was a senior employee of such a company at the Termination Date and who had been a senior employee at an time during the six months prior to the Termination Date or if earlier, the date on which you commence any Garden Leave Period and with whom you had worked closely at any time during that period.

## 10. Personal Data

You acknowledge that any personal information which you provide to the Company or the Bank relating to this Contract and during the course of Appointment with the Company will constitute "Personal Data". Your signature accepting this employment letter will constitute your consent to the Company collecting, using, holding and disclosing your Personal Data in such manner and extent permitted by relevant laws and regulations.

Enclosed is a Circular to Employee which is applicable to you under this Contract and you should read and be familiar with it.

## 11. Miscellaneous

11.1 This Contract is governed by and shall be construed in accordance with the Laws of Taiwan.

11.2 This Contract contains the entire understanding between the parties

and supersedes all previous agreements and arrangements (if any) relating to your appointment by the Company (which shall be deemed to have been cancelled by mutual consent) and for the avoidance of doubt, you shall not be (or deemed to be) a new employee of the Company and this Contract shall be without prejudice to the calculation of your length of service with the Company which shall be calculated from the date on which you first commenced appointment.

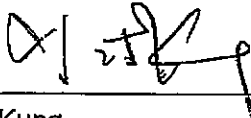
11.3 All terms of this Contract are subject to Fubon Holding's further instruction.

**12. Acceptance**

If the terms and conditions in this Contract are acceptable to you, could you please signify your acceptance by signing and returning the duplicate copy to the Company on or before 20 August, 2010.

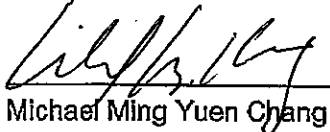
Yours faithfully,  
For and on behalf of

Fubon Financial Holding Co., Ltd.



\_\_\_\_\_  
Victor Kung  
President

I, Michael Ming Yuen Chang, acknowledge and accept the terms and conditions set out in this Contract

  
\_\_\_\_\_  
Michael Ming Yuen Chang

Aug. 24, 2010  
\_\_\_\_\_  
Date :



Mr. Michael Chang

With reference to your contract of 19 August, we set out below a summary of the major arrangements:

Responsible Party - Fubon Financial Holding and/or Fubon Insurance, Beijing:

- Business travel related items and entertainment expenses. (All expenses will be paid by you beforehand and claimed upon returning).
- Mobile services fees
- Provision of one computer notebook
- Lease costs on company car and driver
- One social and one business related club/association membership in China
- Housing allowance at max. HK\$80,000 per month in China
- You will be stationed in Beijing (no office and secretarial support in Hong Kong)

Responsible Party - Fubon Bank (Hong Kong) Ltd.:

- Staff Mortgage Loan
- Personal Loan
- Staff Current Account
- Medical Insurance
- Consultancy Fee HK\$200,000 per month (x 12 months)
- ORSO – contribution based on the monthly consultancy fee

Date: 19 August 2010