

CTBC Securities Co., Ltd.

Statement for Compliance with the “Stewardship Principles for Institutional Investors”

CTBC Securities Co., Ltd. (the “Company”) primarily engages in securities brokerage, proprietary trading, and underwriting. As an asset owner, the Company invests its own funds. The Company hereby states that it complies with the “Stewardship Principles for Institutional Investors.” The status of compliance with each of the seven principles is outlined below.

Principle 1 Establish and disclose stewardship policies

The Company’s operational objective is to pursue the best interests of its shareholders through the conduct of brokerage, proprietary trading, and underwriting businesses. To achieve this objective, the Company has formulated stewardship policies that outlining its responsibilities to shareholders and the implementation and disclosure of stewardship activities.

Principle 2 Establish and disclose policies on managing conflicts of interest

In order to ensure that the Company conducts its business based on shareholders’ interests, the Company has formulated Policies on Managing Conflicts of Interest for institutional investors, which contain the types of conflicts of interest and their management methods.

Principle 3 Regularly monitor investee companies

To ensure that the Company obtains sufficient and effective information to evaluate the nature, timing, and degree of dialogue and interaction with investee companies, and to establish a solid foundation for the Company’s investment decisions, the Company’s attention on the investee companies includes relevant news, financial performance, industry profile, and business strategy. The Company is advised to use environmental, social, and corporate governance (ESG) factors to monitor, analyze, and evaluate the related risks and opportunities of an investee company. The Company is advised to understand and help promote the sustainable development strategy of an investee company in order to enhance long-term shareholder value and generate a positive impact on society.

Principle 4 Maintain an appropriate dialogue and interaction with investee companies

The Company conducts appropriate dialogue and interaction with the investee companies to further understand and communicate risks and strategies confronted by their management for the industry. The Company engages annually with the management teams of its investee companies through various channels, including conference calls, face-to-face meetings, and participation in investor conferences. Additionally, the Company actively contributes to corporate governance by attending shareholders’ meetings, exercising voting rights, and maintaining ongoing dialogue and collaboration with the boards of directors and senior executives of these investee companies.

The Company will also focus on the impact of interaction and engagement on the investee companies, and prepare plans and concerns for the future, so as to make subsequent investment decisions.

Principle 5 Establish and disclose clear voting policies and voting results

To seek the overall interests of shareholders, the Company establishes clear voting policies and actively exercises voting rights on shareholders' meeting proposals. An (aggregate) summary of annual voting results is disclosed on the Company's website, including reasons for supporting, opposing, or abstaining from material proposals.

Principle 6 Approval hierarchy for the stewardship report

The Company shall periodically assess the effectiveness of its stewardship activities and to prepare a stewardship report. Upon completion, the report should be reviewed with feedback from Internal Audit, Compliance, and the Corporate Governance Officer. With the Chairman's consent, the report shall then be submitted to the Board of Directors for approval.

Principle 7 Periodically disclose the status of fulfilment of stewardship responsibilities

The Company will periodically publish a stewardship report on its website or disclose stewardship performance in its annual report. The content should include:

1. A statement on "Stewardship Principles for Institutional Investors" and explanations for non-compliance with certain principles;
2. Information of the company's internal resources and organizational structure to implement stewardship;
3. Statistics of the engagement activities,
4. Case description of the dialogue and interaction with the investee company, the results of the agreement and the follow-up situation.
5. Cases of cooperation with other institutional investors.
6. Attendance in person or by proxy at shareholders' meetings of an investee company.
7. Voting activities.
8. Other material events.

Signatory CTBC Securities Co., Ltd.

