

# **Statement of Compliance with the Stewardship Principles for Institutional Investors (Updated Version)**

Mega International Commercial Bank Co., Ltd. (hereinafter referred to as "Mega Bank") conducts business approved by the central competent authority in accordance with The Banking Act of The Republic of China. Based on the overall interests of capital providers (including entrusted customers and bank shareholders) and beneficiaries, Mega Bank hereby declares its compliance with the "Stewardship Principles for Institutional Investors" issued by the Taiwan Stock Exchange Corporation. The compliance with the six principles is as follows:

## **Principle 1: Establish and disclose stewardship policies**

The goal of Mega Bank is to pursue the overall interests of capital providers and beneficiaries through banking operations. To achieve this goal, Mega Bank includes responsibilities to capital providers and beneficiaries, fulfilment and disclosure of stewardship actions, and facilitation of sustainable development of investee companies in areas such as Environmental, Social, and Governance (ESG) into its stewardship policy, please refer to the "Mega International Commercial Bank Stewardship Guidelines." for more details.

## **Principle 2: Establish and disclose policies on managing conflicts of interest**

To ensure that Mega Bank conducts its business in the interests of capital providers and beneficiaries, Mega Bank has established a conflicts of interest management policy in the "Mega International Commercial Bank Stewardship Guidelines," which includes possible situations of conflicts of interest and its management methods.

## **Principle 3: Regularly monitor investee companies**

To ensure Mega Bank obtains sufficient and effective information for evaluating the nature, timing, and extent of dialogue and interaction with investee companies, and to establish a solid foundation for future investment decisions, Mega Bank monitors information on investee companies, including but not limited to relevant news, financial performance, industry overview, business strategy, environmental protection, social responsibility and labor rights, and corporate governance etc.

**Principle 4: Maintain an appropriate dialogue and interaction with investee companies**

Mega Bank engages in appropriate dialogue and interaction with investee companies to better understand and communicate with their management regarding industry risks and strategies, striving to reach consensus on overall value creation. Each year, Mega Bank communicates with the management of investee companies through phone calls, meetings, participation in investor conferences, or by attending board meetings, annual general meetings, or extraordinary shareholder meetings. Mega Bank pays attention to the engagement, emphasizes the impact of such interactions and negotiations on investee companies and formulates plans and concerns for future engagements and focus areas accordingly, so as to determine subsequent investment decisions. Under circumstances where Mega Bank judges an investee company significantly violates corporate governance principles or poses a risk to the long-term value of Mega Bank’s capital providers, Mega Bank will inquire about the handling of such issues, if necessary, Mega Bank may act collectively with other institutional investors, so as to protect the rights and interests of clients or beneficiaries, and for the sustainable development of investee companies.

**Principle 5: Establish and disclose clear voting policies and voting results**

To pursue the overall interests of capital providers and beneficiaries, Mega Bank has established clear voting policies in the “Mega International Commercial Bank Stewardship Guidelines.” Mega Bank actively participates in shareholder meetings and voting matters in accordance with the above policy and doesn’t unconditionally support motions from the management of investee companies. For annual voting results (summary), please refer to Mega Bank’s website: <https://www.megabank.com.tw/>.

**Principle 6: Periodically disclose the status of fulfilment of stewardship responsibilities**

Mega Bank periodically publishes stewardship reports on its website (<https://www.megabank.com.tw/>) and includes the link to the report in its annual report, disclosing the performance of its stewardship activities, including but not limited to this statement of compliance and explanations for non-compliance with certain principles, attendance and voting at shareholder meetings of investee companies, and other material events.

**Signed by**

Mega International Commercial Bank Co., Ltd.  
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