

## **" Stewardship Principles for Institutional Investors "**

### **Compliance Statement**

The main business of Bank SinoPac (hereinafter referred to as “the Bank”) is engaged in the business approved by the Banking Act and central competent authority. Based on the long-term interests of the fund providers, the Bank's Statement complies with with “Stewardship Principles for Institutional Investors ”, and the compliance based on the six principles is as follows:

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

The Bank's operating objective is to achieve the best interests of the fund provider through the performance of banking business. In order to achieve this goal, the Bank formulates relevant investment business management regulations, implements stewardship according to relevant regulations such as the Banking Act, participates in shareholders' meeting of the investees to enhance the value of the investment and the long-term interests of the company and its shareholders.

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

To properly protect the interests of the fund providers, the Bank formulates the related behavioral regulations for the employees to avoid conflict of interests, prohibiting employees from using their positions to benefit themselves and related parties, involve in speculative operations, insider trading, or engage in activities that may have conflicts of interest or damage the company's interests and reputation.

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

To ensure that the Bank obtains sufficient and effective information to evaluate the nature, time and extent of dialogue and interaction with the investees and establish a good foundation for the Bank's investment decisions, the Bank is focused on items about the investees including related news, financial performance, industry general situations, management strategy, environmental protection measures, social responsibility and labor rights as well as corporate governance issues.

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

Through appropriate dialogue and interaction with the investees, the Bank further understands and communicates the risks faced by the industry and strategies from the perspectives of its management. The Bank communicates with the management of the investees through participation in shareholders' meetings, or important special shareholders' meetings with attendance of our personnel every year. When the investee

has a major violation of corporate governance principles or may damage the long-term value of the Bank's shareholders on a specific issue, the Bank will from time to time inquire the management of the investee about the handling situation, and does not rule out the collaboration opportunity with other investors to demand the response.

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

Based on the best interests of the fund providers, the Bank actively participates in voting of proposals in the shareholders' meeting, and does not absolutely support the proposals raised by the management. The summary of each year's voting situation is disclosed on the Bank's website (<https://banks.sinopac.com>).

**Principle 6 Periodically disclose to clients or beneficiaries about the status of fulfillment of stewardship responsibilities**

The Bank discloses the implementation of stewardship on the Bank's website (<http://banks.sinopac.com>) on a regular or irregularly basis every year.

**Signatory Bank SinoPac**  
**June 8, 2018**