

Compliance Statement on “Stewardship Principles for Institutional Investors”

To operate the business according to the Banking Act of the Republic of China and approval of the Central Competent Authority, and based on the long-term benefits of the capital providers (including entrusted customers or bank shareholders, hereinafter referred to as “capital providers”) and beneficiaries, Chang Hwa Commercial Bank Ltd. (hereinafter referred to as “Chang Hwa Bank”) establishes “Chang Hwa Bank Stewardship Principles” and agreed to comply with “Stewardship Principles for Institutional Investors” and the status of compliance for the six principles is as follows:

Principle 1 Establish and disclose stewardship policies

The operational objective of the Bank is to achieve the maximum benefits for the capital providers and beneficiaries through conducting the businesses of bank. To achieve the objective, the Bank has established “Chang Hwa Bank Stewardship Principles” the contents of which include the responsibilities for the capital providers and beneficiaries as well as the fulfillment and disclosure of compliance required for the stewardship.

Principle 2 Establish and disclose policies on managing conflict of interest

To ensure that the Bank executes its business based on the interest of the capital providers and beneficiaries, the Bank has established “Chang Hwa Bank Code of Conduct”, “Chang Hwa Bank Ethical Corporate Management Best Practice Principles”, “Chang Hwa Bank Code of Ethical Conduct” on managing conflict of interest, and the contents include the principles and regulations required for compliance during the execution of duties as well as the requirements for compliance to the relevant regulations in order to prevent the occurrence of conflict of interest.

Principle 3 Regularly monitor investee companies

To ensure that sufficient and valid information can be obtained by the Bank for assessing the nature, timeline and degree of dialogue and interaction with investee companies and to form a sound basis for investment decisions of the Bank, the Bank focuses on issues regarding the investee companies, such as related news, operational strategy, operating status, financial performance, industry profile, activities for environmental protection, social responsibilities, labor rights/interests and corporate governance.

Principle 4 Maintain an appropriate dialogue and interaction with investee companies

Through appropriate dialogue and interaction with the investee companies, the Bank shall further understand and communicate with the management of the investee companies with regard to risks faced by industry and strategies adopted, and strive to reach consensus with the investee companies on creating long-term values. The Bank communicates annually with the management of investee companies through conference calls, face-to-face meetings, participation in institutional investors' roadshows or attendance at shareholders' meetings or significant extraordinary general meetings. When there is a likelihood that an investee company may violate the principles of corporate governance on specific issues or damage long-term values of capital providers and beneficiaries of the Bank, the Bank shall, when it is considered necessary, inquire with the management of the investee company about compliance handling and does not give up its rights to act collectively with other investors to protect interests.

Principle 5 Establish clear voting policies and disclose voting results

In order to achieve maximum benefits of capital providers and beneficiaries, the Bank has established a clear voting policy in "Chang Hwa Bank Stewardship Principles" and is a proactive voter at shareholders' meetings. The Bank does not necessarily support proposals made by the management of investee companies. Please refer to website of the Bank (<https://www.bankchb.com>) for (aggregated) details of voting activities.

Principle 6 Periodically disclose to capital providers and beneficiaries about status of fulfilment of stewardship responsibilities

The stewardship activities are disclosed by the Bank on its website on a regular basis, including this statement, attendance at shareholders' meetings of investee companies, voting activities, and other material matters.

Signatory Chang Hwa Bank Co., Ltd.

December 11, 2018