

Statement of Compliance with "Stewardship Principles for Institutional Investors"

Chang Hwa Commercial Bank Ltd. (hereinafter referred to as "Chang Hwa Bank") operates within a scope of business as approved by the Banking Act and the Central Competent Authority. For the overall interests of funding contributors (including clients, beneficiaries, and shareholders of the Bank, collectively referred to as the "funding contributors"), the Bank established the "Chang Hwa Bank Stewardship Principles" and hereby states that it complies with the Stewardship Principles for Institutional Investors. Details of compliance with the six principles are provided as follows:

Principle 1: Establish and Disclose Stewardship Policies

The business objective of the Bank is to develop overall interests for funding contributors by operating a banking business. To achieve this objective, the Bank has established the "Chang Hwa Bank Stewardship Principles" which includes the responsibilities to funding contributors and the performance and disclosure of stewardship compliance items. The Bank also included environmental, social, and governance (ESG) issues into the investment evaluation procedures to fulfill stewardship responsibilities and create long-term investment value.

Principle 2: Establish and Disclose Policies on Managing Conflicts of Interest

The Bank has established management policies for the prevention of conflicts of interest in the "Chang Hwa Bank Stewardship Principles" to ensure that the Bank executes business operations in the interest of the funding contributors. The Principles include the patterns, management, and description of conflicts of interest.

Principle 3: Regularly Monitor Investees

The Bank regularly monitors investees to ensure that Bank obtains sufficient and valid information to assess the nature, duration, and intensity of its dialogue and interaction with investees, and to build a solid basis for the Bank's investment

policy. The matters of investees monitored by the Bank include related news, operational strategies, operational status, financial performance, industry profile, environmental protection, social responsibilities, labor rights, and corporate governance issues. The Bank also uses information on environmental, social, and governance (ESG) issues to monitor, analyze, and evaluate the risks and opportunities associated with investees, and to understand their sustainable development strategies.

Principle 4: Maintain an Appropriate Dialogue and Interaction with Investees

By maintaining an appropriate dialogue and interaction with investees, the Bank engages the management teams and gains a clearer insight into the risks and strategies they face. In addition, the Bank works on reaching a certain degree of consensus with the investees on long-term value creation. The Bank engages management teams of investees every year through conference calls, visits, and attendance at investor conferences and general and extraordinary shareholders' meetings.

When an investee is potentially in serious violation of the Corporate Governance Best-Practice Principles, or may impair long-term value of the Bank's funding contributors on certain issues, the Bank will contact the management team of the investee for updates as needed, and may join other investors with similar views in expressing concerns. In addition, the Bank may, for the purpose of enhancing the sustainable development of the investee, participate in related initiatives and organizations of specific environmental, social, or governance (ESG) issues to jointly expand and make use of the influence of institutional investors.

Principle 5: Establish and Disclose Clear Voting Policies and Voting Activities

The Bank has established clear voting policies in the "Chang Hwa Bank Stewardship Principles" to develop overall interests for funding contributors. The Bank actively participates in voting at shareholders' meetings of investees and does not always agree with the proposals of the management team. The votes (summary) each year is disclosed on the official website of the Bank: <https://www.bankchb.com>.

Principle 6: Periodically Disclose Status of Fulfillment Stewardship Responsibilities

The Bank regularly discloses its stewardship activities on its official website (<https://www.bankchb.com>). The disclosure mainly includes this Statement of Compliance, interactions with investees, and participation in voting at shareholders' meetings, and other material information.

Signatory: Chang Hwa Commercial Bank Ltd.

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