



彰化銀行

# 2023 STEWARDSHIP REPORT



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# A. Compliance Statement

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- In order to exert institutional investors' expertise and influence, and for the overall interests of funding contributors (including clients, beneficiaries, and shareholders of the Bank, collectively referred to as the "funding contributors"), Chang Hwa Commercial Bank, Ltd. (hereinafter referred to as "the Bank" or "CHB") has included environmental, social, and governance (ESG) issues into the investment evaluation procedures to fulfill stewardship responsibilities and create long-term investment value.
- CHB has upheld its social responsibility investment ideals by signing the "Statement of Compliance with Stewardship Principles for Institutional Investors" on December 11, 2018, which was updated and signed again on 2020 to expand the scope of stewardship fulfillment.
- As of the end of Dec. 2023, the Bank has been able to comply with the six principles stipulated in the "Statement of Compliance with Stewardship Principles for Institutional Investors", and there has been no incidence of non-compliance.
- This Report has been compiled by the Bank based on the sixth principle of the "Statement of Compliance with Stewardship Principles for Institutional Investors". After Vice President of the Treasury Division grants approval each year, the Bank discloses implementation results of its stewardship to funding contributors every year. This Report is also uploaded to the [Stewardship Principles for Institutional Investors](#) section of the Bank's official website for perusal by clients, investors, and the general public.

## B. Stewardship Responsibilities

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The Bank, while pursuing return on investment, we should pay attention to development trends such as the SDGs, PRI, UN Global Compact, and important related international guidelines, as well as include environmental (E), social (S) and governance (G) performance of investees into the investment evaluation procedures. By doing so, "loving the Earth through investment" will no longer be just a slogan going forward. Instead, it will become concrete action that enables us to jointly create sustainable value for our society.

### a. Sustainable development organization of the Bank

CHB has long been paying close attention to social trends and is committed to fulfilling its Corporate Social Responsibility (CSR). The Bank has invested considerable efforts in aspects such as promoting corporate governance, developing a sustainable environment, and participating in social welfare programs. In order to put the concept of sustainable business into practice, the Bank established the Sustainable Development Committee. The framework of the Sustainable Development Committee is as shown in the diagram:



Corporate Governance	Responsible Finance	Employee Care	Social Inclusion	Sustainable Environment
Engage in operational activities based on the principles of fairness, honesty, trustworthiness and transparency, develop organizational management strategies consistent with international best practices and corporate governance principles, and establish and implement compliance systems and risk management mechanisms.	The Bank protects the rights and interests of financial consumers, treats the consumers in a fair and reasonable manner, provides high-quality services, ensures the integrity, transparency and security of product and service information, and attaches importance to the development of green finance and innovative finance.	The Bank strives to implement the principle of “right person in the right place,” pays attention to education, training and diversified development, improve the remuneration system and benefit measures, provide a healthy work environment, establish positive communication channels, and promote the implementation of human right policy.	Adhering to the concept of "giving back what it has taken from the society," the Bank actively do it by taking practical actions to implement social care, support vulnerable groups, participate in emergency relief, and to promote community development.	The Bank implements the environmental protection policy of “LOHAS Environmental Protection and Love the Earth” and executes energy-saving and carbon reduction management and preventive measures to keep abreast of the risks and opportunities of climate change and to mitigate possible impacts for the sustainable development of the environment.
<ul style="list-style-type: none"> <li>▪Business Performance and Profitability</li> <li>▪Corporate Governance</li> <li>▪Business Integrity</li> <li>▪Legal Compliance</li> <li>▪Anti-Money Laundering and Countering Financing of Terrorism</li> <li>▪Risk Management</li> <li>▪Tax Governance</li> <li>▪Safeguarding Shareholder Equity</li> <li>▪Intellectual Property Management</li> <li>▪Information Security Governance</li> </ul>	<ul style="list-style-type: none"> <li>▪Climate Change</li> <li>▪Responsible Investment</li> <li>▪Responsible Financing</li> <li>▪Safeguarding Customer Rights and Interests</li> <li>▪Green Finance and Products</li> <li>▪Innovation and Inclusion of Digital Finance</li> <li>▪Financial Inclusion</li> <li>▪Equator Principles</li> <li>▪TCFD</li> </ul>	<ul style="list-style-type: none"> <li>▪Human Rights Protection and Gender Equality</li> <li>▪Employee Compensation and Benefits</li> <li>▪Employee Education, Training and Development</li> <li>▪Labor-Management Relations</li> <li>▪Diversity and Equality of Healthy Workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪Charitable Care</li> <li>▪Community Engagement</li> <li>▪Charity Events</li> <li>▪Support in Sport</li> <li>▪Art promotion</li> </ul>	<ul style="list-style-type: none"> <li>▪Environment Sustainability Policy</li> <li>▪Energy Conservation and Carbon Reduction</li> <li>▪Water Efficiency</li> <li>▪Green Procurement</li> <li>▪Suppliers Management</li> <li>▪Waste Management</li> </ul>

## **B. Stewardship Responsibilities**

### **b. Responsible Investment-Investment Process included in ESG**

#### **Evaluation**

#### **● Long-term Equity Investments**

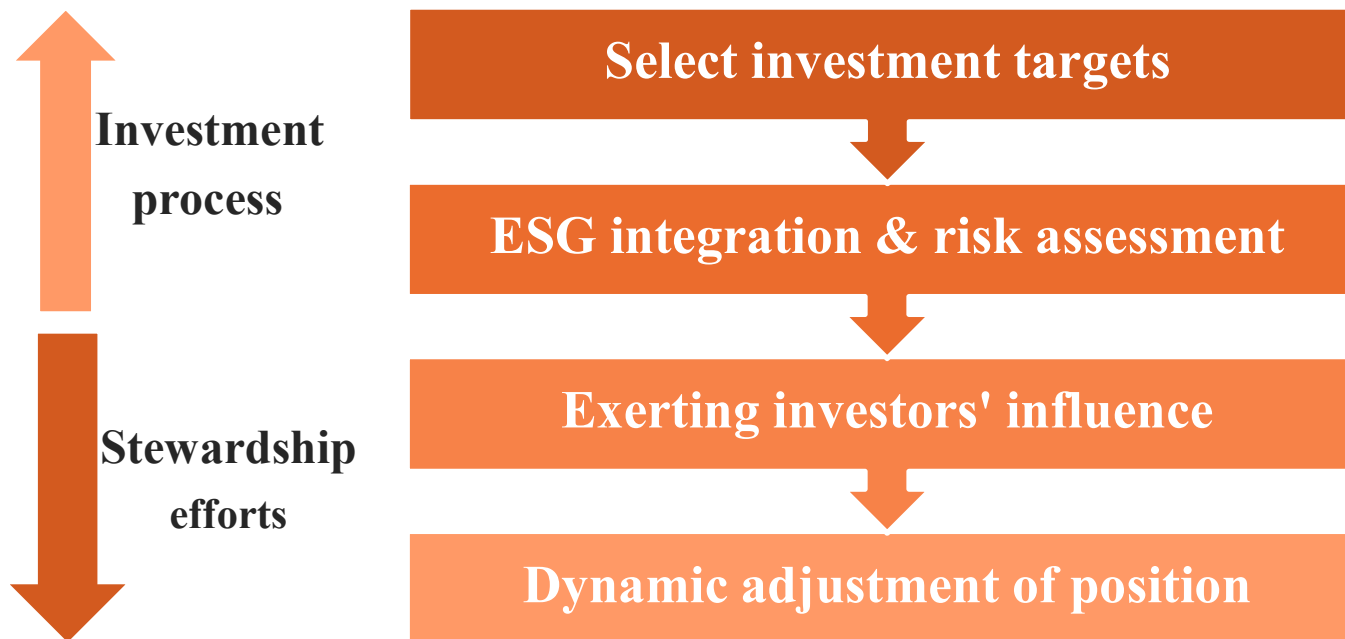
When investing in another enterprise, the Bank shall evaluate the investment taking into account factors such as policy requirements, the industrial and economic environment, the enterprise's business prospects, and the Bank's business needs. Before investing, the Bank shall examine the benefits and risks of the investment and the feasibility of achieving financial projections. If necessary, the Bank shall also communicate with the investee company. In addition, all investments shall be made within the scope authorized by the competent authority.

Directors and supervisors assigned to the Bank's investees shall actively attend the board meetings and discussions on proposals. In the event of important types of proposals such as capital increase/reduction, merger, dissolution, division, transfer or acceptance of any essential part of its business or assets, or the election of directors and supervisors, the representative shall submit the proposals and recommendations to the Treasury Division for review and report them to the Chairperson of the Bank for approval.

## B. Stewardship Responsibilities

### b. Responsible Investment-Investment Process included in ESG Evaluation

- Short-term Equity Investments



## ● Short-term Equity Investments

- **Investment Process:** To implement responsible investment, investments in negative industries must be excluded first. The Bank uses the "ESG checklist (including climate risks) to evaluate the ESG implementation status of selected targets and review whether there are serious violations of related ESG issues to determine the feasibility of investments.

### 1. Select investment targets

- ✓ Exclude negative industries. (such as involving in pornography, drugs, controversial weapons, and illegal gambling)
- ✓ Investment priority shall be given to the 5% of companies that perform best according to the results of the Corporate Governance Evaluation .
- ✓ Impose investment caps on carbon-intensive industries.
- ✓ Support thematic investments that contribute to the development of ESG issues, with a particular emphasis on industries or investment targets that prioritize ESG issues.

### 2. ESG integration & risk assessment

- ✓ Aside from financial factors, the investment evaluation process also refers to related information such as Taiwan Depository & Clearing Corporation's (hereinafter referred to as "TDCC") IR Platform, the Market Observation Post System, and Bloomberg Terminal to conduct the evaluation of ESG factors and analyze risks and opportunities.
- ✓ The Bank shall use the Bloomberg and FTSE Russell ESG scores as reference indicators. Based on the ratings of third-party ESG rating agencies, the Bank shall assess whether its investment targets meet its standards in terms of ESG scores.
- ✓ Risk assessment involves considering adverse events should be regarded as significant considerations for investment activities.
- ✓ If the investment target is a carbon-intensive industry defined in the " Regulations for Industry Credit and Investment Limit Management of Chang Hwa Bank ", a climate risk review must be conducted. If the investment target company does not participate in any initiative organization and does not disclose or submit information on emissions, the Bank shall engage with the company to encourage it to participate in an initiative organization and require it to disclose information on carbon emissions in the future.

## ● Short-term Equity Investments

### ➤ Stewardship Efforts:

#### 3. Exerting investors' influence

- ✓ Focus on investees' related news, operational strategies, operational status, financial performance, industry profile, environmental protection, social responsibilities, labor rights, and corporate governance issues daily.
- ✓ Attend institutional investors' conferences of investees through the telephone, internet or face-to-face meetings.
- ✓ Assign personnel to attend meetings of general shareholders' meetings, or extraordinary shareholders' meetings.

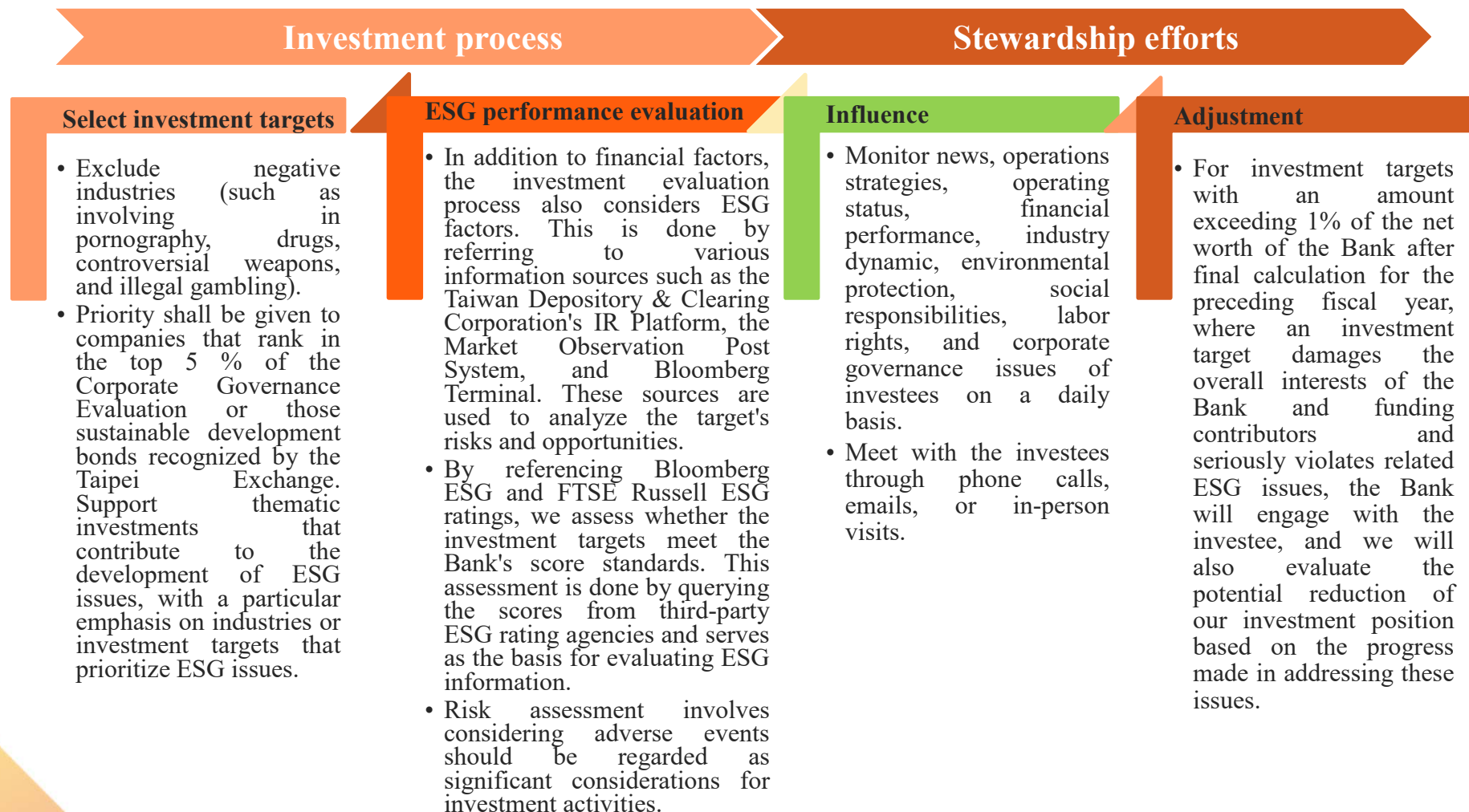
#### 4. Dynamic adjustment of position

- ✓ Where an investee damages the overall interests of the Bank and funding contributors and seriously violates related ESG issues, the Bank shall express its position and requests to the investee and may join other investors with similar views in expressing concerns or consider to reduce the investment.
- ✓ If an investee engages in ESG misconduct and has been penalized but still fails to make improvements, the Bank shall close its position on that investment to reduce sustainability investment risks.

# B. Stewardship Responsibilities

## b. Responsible Investment-Investment Process included in ESG Evaluation

### ● Bond Investments



# C. Conflicts of Interest Policy

## a. Purpose and content

1. The reason why CHB enforces conflicts of interest management is to ensure that the persons in charge of the Bank and its entire staff conduct their business in accordance with the interests of our funding contributors or customers to avoid damaging the bank's safe operations and interests. To this end, management policies against conflicts of interest have been formulated in the “Chang Hwa Bank Stewardship Principles”. In addition, in the event of a material conflict of interest, the Bank shall provide funding contributors with an explanation of the causes of and responses to the conflict on a regular or irregular basis on its official website.
2. Regulation content

Regulation Name	Regulation-related Content
Corporate Governance Best Practice Principles	The person in charge and employees of the Bank shall not grant any undue benefits, enter into any conflicts of interest or violate the regulations on part-time employment, engage in insider trading, and are obliged to maintain confidentiality.
Code of Conduct	Employees are obliged to avoid conflicts of interest in the performance of their duties, not to obtain any benefits in an improper manner, not to engage in any improper financial transactions with colleagues, customers, or suppliers, not to take on part-time jobs unless approved by law, and not to engage in insider trading.
Ethical Corporate Management Best Practice Principles	Employees are prohibited from acting dishonestly, offering, accepting, promising, or soliciting improper benefits, offering or accepting bribes, obtaining improper advantages for themselves or others, and engaging in unfair competition or insider trading.
Code of Ethical Conduct	Directors and managerial officers of the Banks are obliged to prevent conflicts of interest, to refrain from behavior that could give themselves or others an improper advantage, and to avoid opportunities for personal enrichment.

## C. Conflicts of Interest Policy

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### a. Purpose and content

3. From Jan. 2023 to Dec. 2023, the Bank no material conflicts of interest occurred, indicating that the management and prevention mechanism for conflicts of interest is effective.

### b. Patterns of Conflicts of Interest

1. Between the Bank and customers:

- The Bank shall not take any action or make any decisions against its funding contributors for the sake of personal gains.
- Neither the Bank nor its employees shall take any action or make any decisions to benefit any specific funding contributors against its other funding contributors or stakeholders for the sake of personal gains.

# C. Conflicts of Interest Policy

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## b. Patterns of Conflicts of Interest

### 2. Between the Bank and employees:

- Employees shall not take any action or make any decisions against its funding contributors for the sake of personal gains.
- Those who are aware of any material insider information about the Bank that has yet to be made public shall not relay that insider information to anyone, provide transaction suggestions based on the insider information, or buy or sell securities of these companies under the name of themselves or others.
- Except where authorization is granted, employees of the Bank may not reveal or discuss any information regarding completed transactions, imminent transactions, or transactions that are being discussed with any third party which does not require such knowledge in the execution of their duties.
- Employees may not disclose the Bank's transaction information or confidential business information of investees.
- Any employees shall not ask, for personal or others' interests, others for gifts or entertainment in exchange of the Bank's business, services, or confidential information.
- All non-public information acquired by the employee, including information concerning the Bank, Bank's clients, counterparties, business partners, suppliers and their employees, is confidential.

# C. Conflicts of Interest Policy

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## b. Patterns of Conflicts of Interest

### 3. Between employees and customers:

- Employees shall not accept, under any pretense, commissions, rebates and the amount of other unwarranted benefits from depositors, borrowers or other customers.
- Any employee is forbidden to invest in the securities which are issued by the clients with significant transactions with the Bank by means of being acknowledged the relevant confidential information. An employee shall comply with the regulations and limitations issued by the supervising unit.

### 4. Between the Bank/employees and investees

- Those who are aware of any material insider information about any other publicly listed companies that has yet to be made public shall not relay that insider information to anyone, provide transaction suggestions based on the insider information, or buy or sell securities of these companies under the name of themselves or others.
- Employees may not reveal confidential business information of investees.

### 5. Between the Bank/employees and Related Parties

- The Bank and the personnel of the Bank shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.
- Related persons from the stock investment unit and their spouses and minor children shall obtain permission from the Executive Vice President before buying or selling any shares. They are also required to file a declaration after the transaction.

### 6. Other patterns of conflicts of interest prescribed in laws and regulations.

# C. Conflicts of Interest Policy

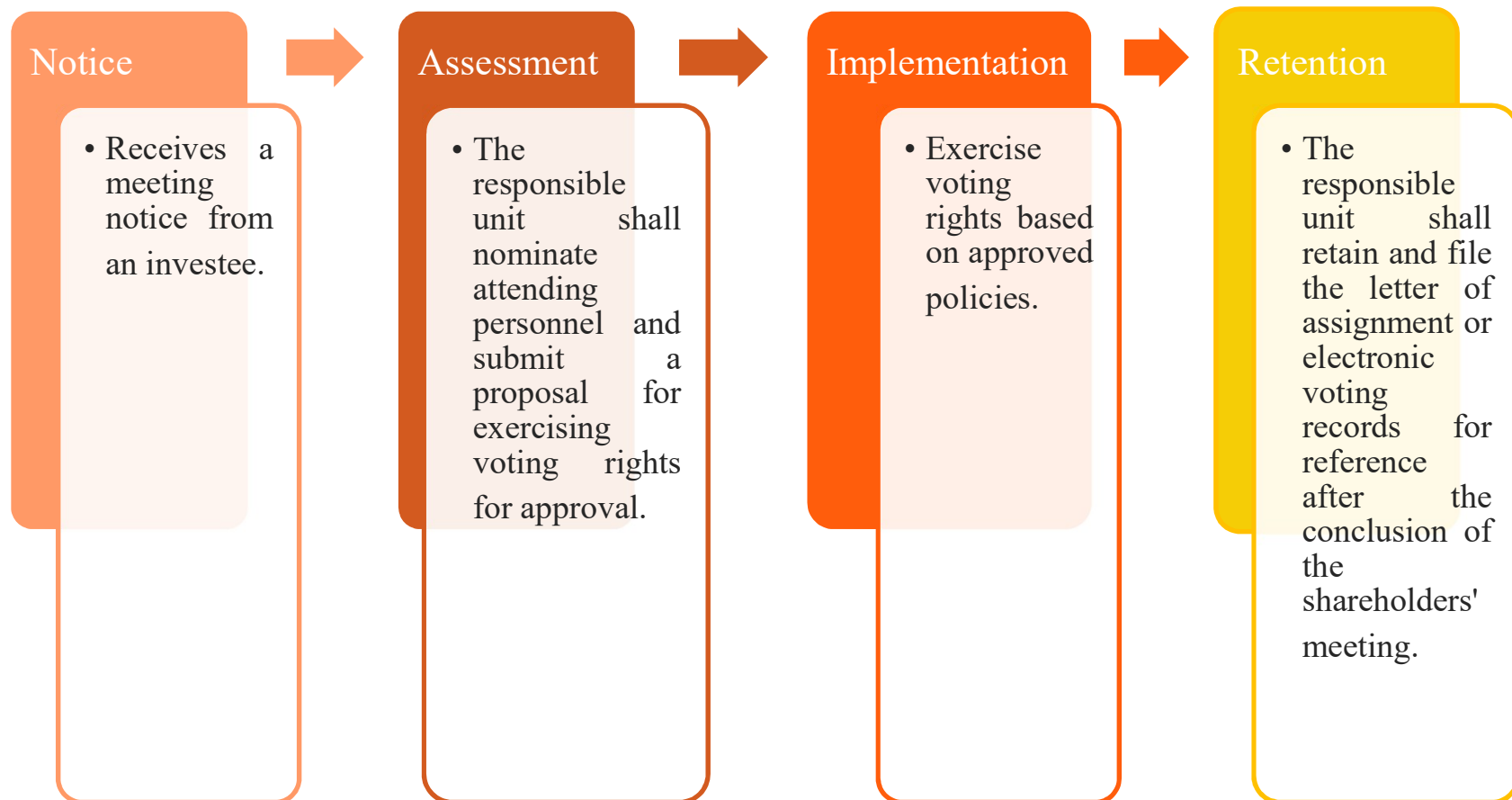
## c. Management of Conflicts of Interest

To ensure that the Bank executes business operations for the interest of the funding contributors, the Bank's employees shall follow the "Chang Hwa Bank Code of Conduct", "Chang Hwa Bank Ethical Corporate Management Best Practice Principles", "Chang Hwa Bank Code of Ethical Conduct", "Corporate Governance Best Practice Principles of CHB", and "Chang Hwa Bank Stewardship Principles" to prevent conflicts of interest. The Bank implements the policy through education, division of responsibilities, information management, and firewall design to ensure that the Bank executes business operations for the interest of the funding contributors.

Management of conflicts of interest	Management methods
Education	<ul style="list-style-type: none"><li>• In order to make the members of the investment team better understand the spirit of conflicts of interest, uphold high ethical standards and comply with related internal and external laws and regulations when executing business operations, the Bank has prepared conflicts of interest publicity documents for colleagues to refer to, and conducts compliance promotion nonperiodically to strengthen prevention and management of conflicts of interest.</li></ul>
Division of responsibilities	<ul style="list-style-type: none"><li>• In order to maintain the independence of transaction decisions and the confidentiality of related business dealings, prevent the inappropriate spread of business secrets among people from different positions and departments, and prevent them from spreading business secrets among shareholders or affiliated companies, the Bank shall establish a business segregation system.</li></ul>
Information management	<ul style="list-style-type: none"><li>• In order to maintain the computer information security, the Bank shall set up computer operating systems and privileges according to the department and duty. If there is any change of personnel, the related privilege shall be deleted or changed accordingly. In addition, to avoid password leaks, users' passwords shall be changed regularly.</li><li>• Phishing tests shall be conducted to review employees' alertness about email phishing.</li><li>• In order to avoid information leakage, the Bank grants appropriate authority in the system according to different duties, and those who are not related to such duties and responsibilities cannot access privileged information by themselves.</li></ul>
Firewall Design	<ul style="list-style-type: none"><li>• The Bank sets up system privileges in accordance with the responsibilities of departments and internal divisions, and non-essential personnel shall not be able to get access to maintain the confidentiality of information.</li></ul>

## D. Voting Policy

### a. Voting Procedures at Shareholders' Meetings of Companies in Taiwan



## D. Voting Policy

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### b. Exercise of voting rights

- The Bank shall exercise voting rights in writing or electronically. Where an investee adopts electronic voting for a shareholders' meeting, the Bank shall, as a principle, use electronic voting except where attendance in person at the shareholders' meeting is necessary due to business requirements.
- The exercise of the Bank's voting rights shall be based on the overall interests of the Bank and its funding contributors. In addition, the Bank shall actively exercise its voting rights at shareholders' meetings and participate in the corporate governance of its investee companies.
- When the Bank is supposed to vote at the shareholders' meeting of the Bank's investee, the responsible unit shall conduct a review prior to the voting. In the event that material issues are found, the Bank shall communicate (e.g., engagement) with the management team of that company before the shareholders' meeting.

## D. Voting Policy

### b. Exercise of voting rights

- We pay attention to the overall ESG performance of investees. Out of respect for investees' business expertise, we support proposals put forth by the management team at a shareholder's meeting (administrative affairs such as regular financial statements, annual business reports, and earnings distribution, as well as proposals bearing no negative impact on the operation and financial situation of the invested company) in principle. However, in the event of important types of proposals that the Bank is concerned about like those listed below, we will vote against them or abstain from voting:

	Proposals
Against	<ul style="list-style-type: none"><li>● Proposals that are damaging to the interests of the Bank and of its funding contributors, proposals that violate corporate governance and hinder investees' sustainable development (such as fraudulent financial reporting), or proposals that have a negative impact on the environment or society (such as harming the conservation of nature habitats, increasing the scope of high-pollution or high-carbon-emission business, violation of human rights, or deprivation of labor rights).</li><li>● Proposals that endanger an investee's operation and financial situation, or proposals that terminate a non-compete clause and may raise concerns about conflicts of interest.</li></ul>
Abstain	<ul style="list-style-type: none"><li>● Proposals in which it is difficult to fully understand the related work experience and background of a candidate in a board of directors and supervisors election.</li></ul>

## D. Voting Policy

### c. Material proposals and proposal evaluation

- **Types of material proposals:**

1. Long-term equity involves significant financial plans, such as mergers, capital reduction, dissolution, division, transfer or acceptance of any essential part of its business or assets.
2. Short-term equity involves equity issues such as private placements to specific individuals, mergers or acquisitions, cash reduction, or capital reduction to offset losses.
3. Involving controversial or negative news, as well as recent abnormal fluctuations in the company's stock price, such as disputes over management rights.
4. Other ESG-related issues that are material.

- **Proposal evaluation:**

1. The Bank has established internal decision-making levels for evaluating the voting at shareholders' meetings of investees.
  2. If long-term equity company's proposal belongs material, the proposal will be examined and evaluated to assess its benefits for shareholders and the growth of the investees. A voting recommendation will then be made and submitted to the Bank's meeting of Board of Managing Directors for review and consideration.
  3. Short-term equity company's proposal belong material proposal shall approved The Head of Treasury Division.
  4. For matters concerning the re-election of directors and supervisors involving long-term equity, they must be reported to the Chairperson.
- If long-term equity company's proposal belongs material and is subject to one of the negative events described in the table on the previous page, CHB shall engage before the shareholders' meeting. The engagement may take the form of private visits, conference calls, or emails and shall be aimed at understanding and communicating with the management of the investee company. If no consensus can be reached or if the proposal is not amended, the Bank shall express against the proposal.

## E. Fulfillment of Stewardship Responsibilities

### a. Evaluation of Stewardship Effectiveness

1. A stewardship statement has been signed and disclosed.
2. The Stewardship Policy, Management Policy for the Prevention of Conflicts of Interest and Voting Policy have been established and disclosed, and related policies are timely reviewed to determine whether amendments are necessary.
3. The Bank continues to engage with investees through dialogue and interaction, and all of their shareholders' meetings are attended.
4. The Bank uses user-friendly interfaces and discloses its stewardship activities on its official website every year. Related contacts are also provided to make it easier for clients, investors, and the general public to offer their feedback.



As of the end of Dec. 2023, there was no material conflict of interest incident and no failure to comply with the principle in the "Statement of Compliance with Stewardship Principles for Institutional Investors", indicating that the Bank's stewardship activities have been effective.

# E. Fulfillment of Stewardship Responsibilities

## b. Input Internal Resources to Implement Stewardship

Resource Inputs	Executive Content	Input Cost
<b>Manpower</b>	<ol style="list-style-type: none"> <li>1. Review and implementation of stewardship policies</li> <li>2. Planning and reporting on the results of stewardship policy mechanisms</li> <li>3. Formulation of investment strategies</li> <li>4. ESG review and evaluation</li> <li>5. Interaction and engagement with investee companies</li> <li>6. Evaluation of shareholders' meeting proposals and conduct of the vote</li> </ol>	5 persons have been assigned, with 2,146 related work hours.
<b>ESG Education Training</b>	<ol style="list-style-type: none"> <li>1. Internal and external education and training on ESG-related issues</li> <li>2. ESG Fundamentals (an online course held by the Bank)</li> <li>3. Ethical Corporate Management and Code of Conduct Awareness (an online course held by the Bank)</li> </ol>	<ol style="list-style-type: none"> <li>1. A total of 17 classes with a combined length of around 154.5 hours were held.</li> <li>2. A total of 5,842 times, and the accumulated hours are approximately 5,549.9 hours.</li> <li>3. A total of 6,593 times, and the accumulated hours are approximately 2,747 hours.</li> </ol>
<b>ESG Forum</b>	Participated in the Global Corporate Sustainability Forum, Sustainable Finance Forum, and ESG Trends Forum.	10 forums.
<b>Conflicts of Interest Awareness Promotion</b>	Promote the Bank's regulations on conflicts of interest.	5 times.

# E. Fulfillment of Stewardship Responsibilities

## c. Investment Target Portfolio Analysis

### ● Stock Investment

The Bank actively invests in companies that are guided by the concepts of sustainability. In 2023, the the Bank invested in 59 domestic listed companies including 41 of them selected as either the constituent stock of the Dow Jones Sustainability Index (DJSI) or the FTSE4Good TIP Taiwan ESG Index which accounted for more than 70 percent of the total investment amount and increase 9 companies compared to 2022 mainly due to the increase in the number of the Bank's investment targets. In addition, the Bank had invested in a total of 40 companies that have participated in initiatives such as CDP (with a score of B- or higher), RE100, or SBTi.

**INVEST IN DJSI AND FTSE4GOOD TIP  
TAIWAN ESG INDEX CONSTITUENT STOCKS**



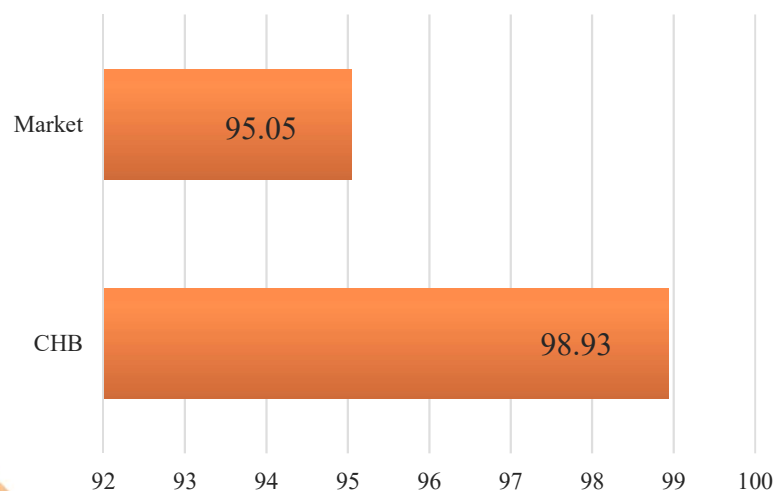
# E. Fulfillment of Stewardship Responsibilities

## c. Investment Target Portfolio Analysis

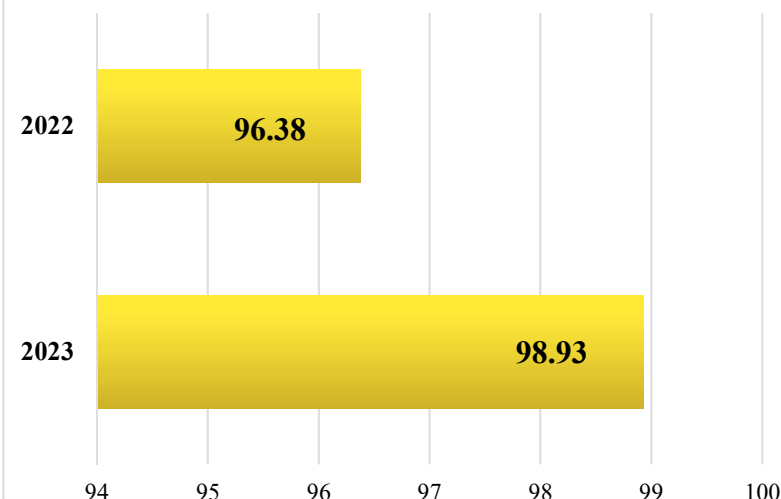
- **Evaluation Results of Taiwan Stock Exchange Corporate Governance Evaluation System**

According to the classifications of the TDCC based on the Corporate Governance Evaluation conducted by the Taiwan Stock Exchange and Taipei Exchange each year, the Bank's score based on the analysis results in the "Corporate Governance Evaluation Investment Rating" in 2023 was 98.93 points, which was higher than the 96.38 points in 2022 and higher than the average market rating of 95.05 points. The main reason is the score of the investees in the Corporate Governance Evaluation increase.

**2023 CHB and The Whole Market Due Diligence Governance Score**



**CHB Market Due Diligence Governance Score**



# E. Fulfillment of Stewardship Responsibilities

## c. Investment Target Portfolio Analysis

### ● Bond Investments

- The bond investments of CHB are mainly concentrated in investment grade targets. ESG-oriented companies usually have more transparent financial reports, relatively stable, low-risk operating conditions, and better ratings. CHB gives full play to the influence of institutional investors through the screening of investment targets, and focuses on sustainable thematic investment. Also, attaching the importance to the ESG performance of investment targets, and strive to respond to the United Nations Sustainable Development Goals (SDGs).
- The fixed income investment targets are widely distributed around the world, including supranational bonds, sovereign bonds, state-owned enterprise corporate bonds, U.S. government-guaranteed MBS, private enterprise corporate bonds and global financial bonds. Due to the characteristics of supranational bonds, sovereign bonds, state-owned enterprise corporate bonds and U.S. government-guaranteed MBS, no ESG scores are disclosed on the Bloomberg platform does not negate the aggressive engagement in ESG of the countries or the institutions.
- As of December 31, 2023, CHB has invested in foreign currency bond positions with supranational bonds, sovereign bonds, state-owned enterprise corporate bonds, and U.S. government-guaranteed MBS accounting for about 50%, financial bonds accounting for about 43%, and corporate bonds accounting for about 7%.

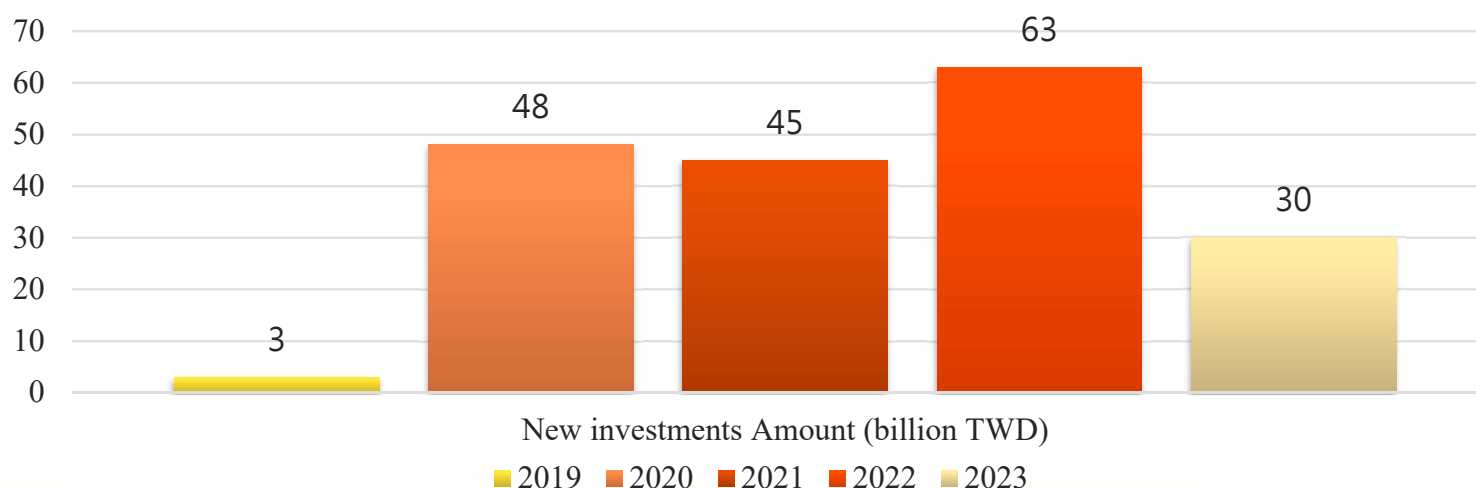
# E. Fulfillment of Stewardship Responsibilities

## c. Investment Target Portfolio Analysis

### ● Bond Investments

- As of December 31, 2023, CHB has invested in Taiwan dollar bonds, with the central government bonds accounting for about 27%, corporate bonds accounting for about 39%, and short notes accounting for about 34%; Thereinto, the issuer of Taiwan dollar corporate bonds disclosed that the ESG score accounted for 100%, the cumulative investment of sustainable development bonds that meet the definition of the Taipei Exchange are NT\$18.9 billion, and the amount of new investments in 2023 are NT\$3 billion. The investment in green bonds has gradually increased since 2019, and the target cumulative amount will reach NT\$12.7 billion by 2025 and reach NT\$14.2 billion by 2030.

Profile of investment in Taipei Exchange Sustainability Bonds



# E. Fulfillment of Stewardship Responsibilities

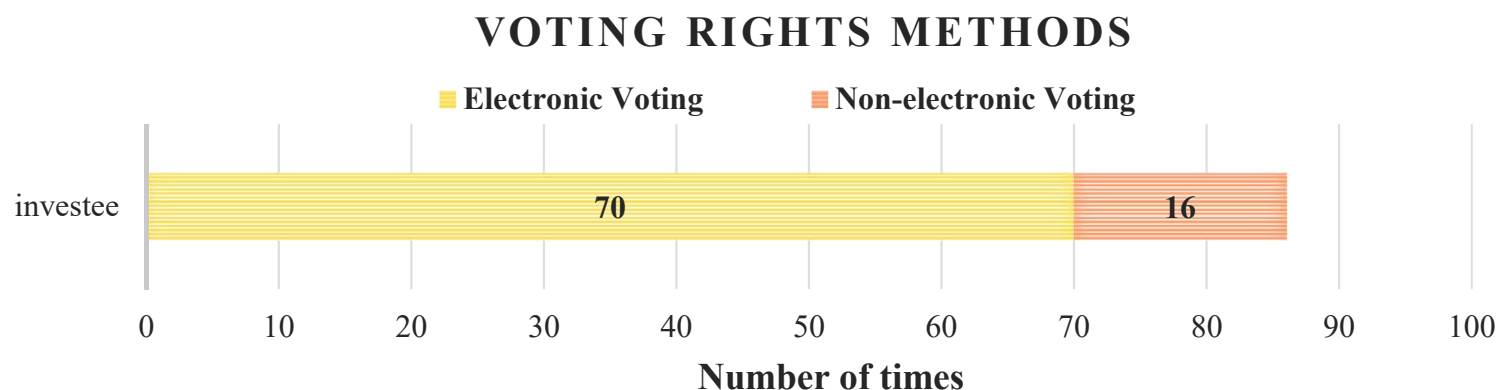
## d. Status of Shareholders' Meeting Attendance, Voting and Proxy Voting

### ● Attendance Statistics of Shareholders' Meetings

- As of the end of December 2023, the Bank attended shareholders' meetings held by 86 investees in Taiwan (including extraordinary shareholders' meetings) including 70 attendances by electronic voting and 16 attendances in person. The attendance rate was 100%. The Bank has appointed individuals with expertise in related fields to investees for which the Bank may appoint directors and supervisors. As of the end of December 2023, the Bank has appointed directors and supervisors of 10 investees.

### ● Exercising Voting Rights

- The methods of exercising voting rights in 2023 were as follows:



# E. Fulfillment of Stewardship Responsibilities

## d. Status of Shareholders' Meeting Attendance, Voting and Proxy Voting

### ● Material Proposals

The following is a selective disclosure of the material proposals put forward at the Bank's shareholders' meeting in 2023:

#### ➤ Actual case study I

**Proposal Type :** Merger and acquisition.

#### **Proposal item description:**

The shareholders of Company A, a financial holding company in which the Bank holds an stake, submitted a proposal to resume a merger and acquisition. The proposal had previously been put up for discussion by the shareholders at an extraordinary shareholders' meeting.

#### **Assessment of the proposal item:**

In response to this shareholder proposal, Company A stated that the stock swap agreement previously signed with the target of the merger and acquisition has been automatically terminated and that it is no longer possible to fulfill the various transaction conditions of the proposal. Therefore, there is no reason to approve the proposal. Company A also stated that it will actively seek and carefully consider suitable merger and acquisition targets in the future. In addition, the company did not rule out the possibility of resuming the transaction with the former merger and acquisition party if the relevant conditions and timing are met. Provided that the company's business operations are not jeopardized, the Bank has no objection to the company seeking merger and acquisition opportunities. Therefore, the Bank abstained from voting on the proposal.

## E. Fulfillment of Stewardship Responsibilities

### d. Status of Shareholders' Meeting Attendance, Voting and Proxy Voting

#### ➤ Actual case study II

**Proposal Type** : Share conversion (merger)

#### **Proposal item description:**

Company B, a telecommunications company in which the Bank holds a stake, intended to merge with another telecommunications company through a stock swap, which was approved by its shareholders at an extraordinary shareholders' meeting. However, a minority of the shareholders of Company B challenged the validity of the merger resolution passed at the extraordinary shareholders' meeting and filed a lawsuit. The court ruled that "the resolution should be rescinded." Company B therefore convened an extraordinary shareholders' meeting to obtain approval for the continuation of the original merger resolution and to rectify as well as retroactively recognize any of the possible deficiencies.

#### **Assessment of the proposal item:**

The Bank believes that the merger will help to improve the company's operational performance. Company B has been performing poorly for a long time and its net worth has fallen below half of its share capital in the first half of 2023. A merger is urgently needed to facilitate the future long-term development of the company. In order to facilitate the implementation of the merger, the Bank has therefore voted in favor of the proposal.

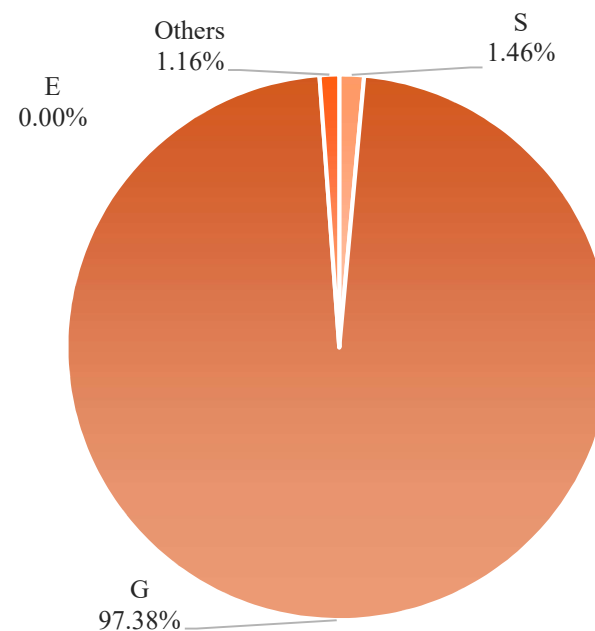
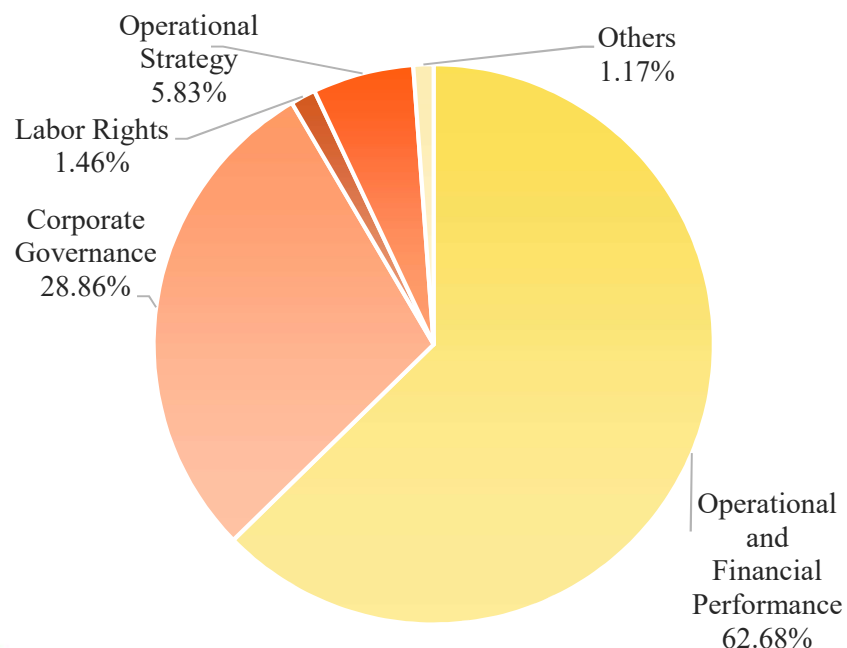
# E. Fulfillment of Stewardship Responsibilities

## d. Status of Shareholders' Meeting Attendance, Voting and Proxy Voting

### ● Statistics of Proposals for Voting in Shareholders' Meeting

1. The Bank has actively participated in proposals for voting as well as shareholders' meetings of our investees. We convey shareholders' influence on investees' decisions with concrete action. The voting conditions by proposal type in shareholders' meetings in 2023 were as follows (Please refer to the Appendix for disclosure of the situation on a case-by-case basis):

**Proportion of total number of proposals**



Type		Proposal	Total number of proposals	Voting status		
				For	Against	Abstain
Government	Operational and Financial Performance	Adoption of the business report and financial statements	82	82	0	0
		Profits distribution or deficit compensation	79	79	0	0
		Amendment to the articles of incorporation or operating procedures	54	54	0	0
Government	Corporate Governance	Election of directors or supervisors (number of voters)	34	10	0	24
		Discharge of directors or supervisors	0	0	0	0
		Release from the prohibition on directors from participating in competitive businesses	65	65	0	0
Social	Labor Rights	Issuance of restricted stock awards	5	5	0	0
		Issuance of employee stock option certificates at a price lower than the market price	0	0	0	0
		Transfer of treasury stocks to employees at a price lower than the actual average repurchase price	0	0	0	0
Government	Operational Strategy	Dissolution, merger, acquisition, share conversion or demerger of the company	1	1	0	0
		Capital increase (capital increase transferred from earnings/capital reserve/ bonus distribution or issuance of new shares for cash capital increase)	17	17	0	0
		Private placement of securities	2	2	0	0
		Capital reduction/cash capital reduction (compensate deficit or return of cash)	0	0	0	0
		Exercise of disgorgement	0	0	0	0
Others	Others	Others	4	3	0	1
		Total proposals	343	318	0	25

# E. Fulfillment of Stewardship Responsibilities

## d. Status of Shareholders' Meeting Attendance, Voting and Proxy Voting

### ● Statistics of Proposals for Voting in Shareholders' Meeting

2. In 2023, the Bank abstained from voting in the election of directors and supervisors of 24 investee companies due to difficulties in fully understanding the relevant qualifications of the candidates. In addition, the Bank abstained from voting on a shareholder proposal to resume a merger and acquisition that had previously been submitted by shareholders at an extraordinary shareholders' meeting. The remaining proposals were unopposed by the Bank.

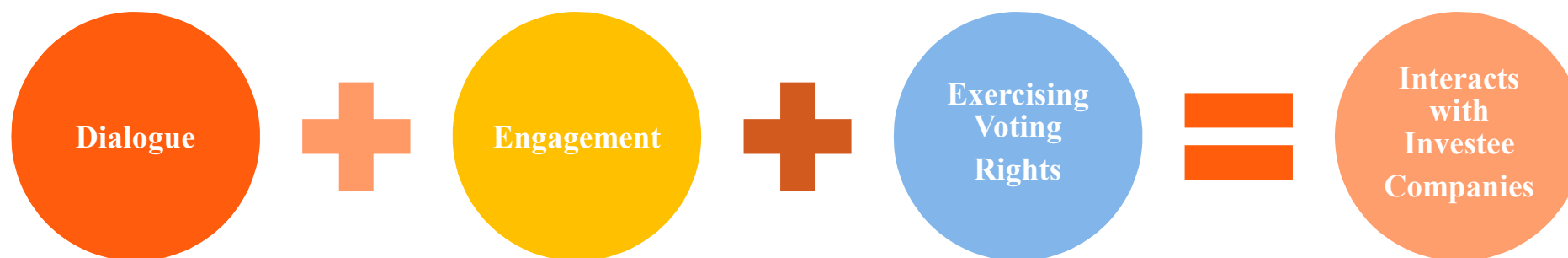
### ● Proxy Voting Situation

The Bank has designated employees internally who are dedicated to investment management. Therefore, we do not use outsourced research or proxy voting service. Attendance in shareholders' meetings, research on recognition proposals and voting proposals, as well as the approach for exercising voting rights are entirely based on the "Statement of Compliance with Stewardship Principles for Institutional Investors", as well as regulations stipulated in the "Chang Hwa Bank Stewardship Principles", and related internal employees are assigned to attend to these affairs.

## E. Fulfillment of Stewardship Responsibilities

### e. Interaction with Investees

The Bank interacts with investee companies through dialogue, engagement, exercising voting rights, etc., to demonstrate the stewardship as an active investor.



- **Dialogue and Interaction**

The Bank engages, dialogues and interacts with investees through official letters, conference calls, visits, and attendance at investor conferences, the Board of Directors and Supervisors or general and extraordinary shareholders' meetings.

# E. Fulfillment of Stewardship Responsibilities

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## e. Interaction with Investees

### ● Dialogue and Interaction

- In order to improve post-investment management, the Bank regularly reviews the operating conditions of the companies in which it invests to assess the need for interactions and engagements. The assessment is based on the points listed below:
  1. The Bank regularly reviews the investees' financial and business performance to identify material irregularities.
  2. Whether any significant negative news on ESG-related issues has occurred.
  3. Before a shareholders' meeting, the Bank checks whether there are any material proposals.

# E. Fulfillment of Stewardship Responsibilities

## e. Interaction with Investees

### ● Dialogue and Interaction

- The Bank's interactions with investees in 2023 were mainly conducted through attendance at shareholders' meetings, attendance of investor conferences, and official letters. Related interaction data are as follows:

#### 1. The Bank's interactions with investee companies in 2023:

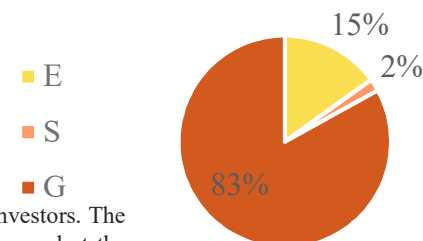
Means of interaction	Interaction scenario
Official letters issued	2 times
Online meetings with investee companies	1 time
Participation in investor meetings of investee companies	40 times
Participation in shareholders' meetings of investee companies (including extraordinary shareholders' meeting)	86 times · attendance rate 100%
Appointed directors and supervisors of investees	10 investees

#### 2. ESG issues engagement

	Online meetings	official letter	E-mail	Total
E	1 <sup>Note</sup>	0	7	8
S		0	0	1
G		2	41	44
Total	1 <sup>Note</sup>	2	48	51 <sup>Note</sup>

Note : The Bank held an online meeting with Company C together with other institutional investors. The meeting covered all three aspects of ESG. However, since all three aspects were discussed at the same meeting, the total was calculated only once.

ESG issues engagement proportion



# E. Fulfillment of Stewardship Responsibilities

## e. Interaction with Investees

### ● Engagement Actual Case

#### ➤ Actual case study I

**Engagement topic :** ESG-Environment

**Engagement level:** The Bank's Vice President and the subsidiary's management team

**Interaction contents (Issues & Reasons) :**

The Bank's subsidiary is a venture capital company (hereinafter referred to as Company D) that invests in emerging and growing companies. To promote the development of sustainable finance, the directors and a supervisor assigned by the Bank request the subsidiary to set targets for investments in businesses that embrace “E” concepts (“E” as in environmental sustainability) and to incorporate ESG performance into its performance appraisals.

**Expected Goals:**

In 2023, Company D invested in more than two enterprises pursuing “E” concepts including carbon reduction (e.g., energy saving, green energy, or circular economy) and environmental sustainability (e.g., remediation of soil and wastewater remediation or waste recycling).

**Follow-up & Influence :**

Company D has included the achievement rate of ESG implementation targets in its performance appraisals. In order to identify and invest in industries embracing the concept of “environmental sustainability,” Company D has also established ESG investment approval criteria based on the Guidelines for the Identification of Sustainable Economic Activities. The above items have been discussed and approved by the board of directors. The Bank will continue to monitor the company's ESG investments.

# E. Fulfillment of Stewardship Responsibilities

## e. Interaction with Investees

### ● Engagement Actual Case

#### ➤ Actual case study II

**Engagement topic :** ESG- Government

**Interaction contents (Issues & Reasons) :**

An investee company (hereinafter referred to as Company E) and its subsidiary violated corporate governance by regularly inviting a major shareholder, who is not the company's responsible person, to their meetings and to intervene in the decision-making process. The Financial Supervisory Commission fined the company NT\$30 million, suspended the chairperson for six months and the vice chairperson for one year. In addition, the company's president was subjected to a salary reduction and the subsidiary was fined NT\$10 million. In response to the penalty, the Bank inquired about the company's plans for rectification in an email dated August 14, 2023.

**Expected Goals:**

The company was urged to review and remedy the issue of interference by major shareholders in its business activities and to implement the principle of separation of banking and commerce.

**Follow-up & Influence :**

Company E responded in an email dated August 17, 2023, stating that it had formulated appropriate policies to address the deficiencies in accordance with the newly issued Corporate Governance Best Practice Principles for Financial Holdings. However, given the severity and extent of the corporate governance breach in this case, the Bank will continue to keep an eye on the company's corporate governance performance.

# E. Fulfillment of Stewardship Responsibilities

## e. Interaction with Investees

- **Engagement Actual Case**

- **Actual case study III**

**Engagement topic : ESG- Government**

**Interaction contents (Issues & Reasons) :**

An investee company (hereinafter referred to as Company F) violated corporate governance by inviting a major shareholder, who is not the company's responsible person, to an important internal meeting of the company. In addition, the company's senior executives disclosed internal business and personnel information to the major shareholder. The Financial Supervisory Commission fined the company NT\$10 million, and the chairperson and the chief legal officer were subjected to salary reductions. In response to the penalty, the Bank inquired about the company's plans for rectification in an email dated November 08, 2023.

**Expected Goals:**

The company was urged to review and remedy the issue of interference by major shareholders in its business activities and to implement the principle of separation of banking and commerce.

**Follow-up & Influence :**

Company F responded in an email dated November 8, 2023, in which it stated that it had formulated internal rules for communication and interaction with controlling major shareholders in response to the deficiencies and would continue to implement and improve its internal control systems in the future. However, given the severity and extent of the corporate governance breach in this case, the Bank will continue to keep an eye on the company's corporate governance performance.

# E. Fulfillment of Stewardship Responsibilities

## e. Interaction with Investees

### ● Engagement Actual Case

#### ➤ Actual case study IV

**Engagement topic :** ESG- Government

**Type of Asset :** Stock and Bond

**Interaction contents (Issues & Reasons) :**

The Financial Supervisory Commission received a report from the public concerning information security issues of an investee company (hereinafter referred to as Company G). It was found that the company had failed to establish adequate regulations on the privileges of administrators of personal computers and the control of portable devices, as well as to log the use of personal information in accordance with internal regulations. The company was fined NT\$10 million by the Financial Supervisory Commission. The Bank inquired about the company's plans for rectification in an email dated November 29, 2023.

**Expected Goals:**

In order to raise awareness of information security and perfect the associated regulations, the company was urged to carry out reviews and make improvements based on the feedback from the competent authorities.

**Follow-up & Influence :**

Company G responded in an email dated January 2, 2024, stating that it had remedied the deficiencies by making system improvements, establishing an interdepartmental group, applying the principle of least privilege, and conducting regular inspections regarding information security issues. At the same time, the company has begun to actively promote the concept of personal information protection, strengthen the competence of its auditors in auditing information systems, and engage impartial third parties to conduct personal information protection integrity checks to minimize the risk of recurrence of similar incidents. The Bank will continue to monitor the company's information security improvements.

# E. Fulfillment of Stewardship Responsibilities

## e. Interaction with Investees

- Collaborated with another institutional investor to engage

- Actual Case

**Engagement topic :** ESG-Environment 、 Social 、 Government

**Interaction contents (Issues & Reasons) :**

The Bank collaborated with another institutional investor to engage with an investee company (hereinafter referred to as Company C) in relation to its overall ESG performance and information disclosure. The Bank cooperated with another institutional investor to review the company's ESG profile and make recommendations on social, economic (including corporate governance), and environmental aspects as well as information disclosure. The Bank also held a tripartite online meeting on June 9, 2023 to discuss the proposed recommendations.

**Expected Goals:**

Encouraging companies to review and improve their ESG management.

**Follow-up & Influence :**

In response to requests from stakeholders (including governments, customers, and investors), Company C actively participates in various international climate change initiatives. In 2023, the company submitted its SBTi commitment and is expected to complete the target audit in 2024. The company also applies the TCFD methodology to assess the potential risks and adaptation strategies of climate change for its business now and in the future, and uses the SASB sustainability indicators. With regard to the structure and functioning of the board of directors of the company, the Bank proposes that female directors be elected and that the number of independent directors be increased. The Bank will continue to monitor and track the performance of the company.

## E. Fulfillment of Stewardship Responsibilities

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### f. Participation in Initiative Organizations

- **Supporter of TCFD**

Following the implementation of the Task Force on Climate-Related Financial Disclosures (TCFD) framework in 2020, the Bank signed an agreement in July 2021 to become a supporter of the TCFD. The Bank is not only paying attention to the issue of climate change, but has also joined the ranks of companies willing to voluntarily adopt suggestions to disclose climate-related financial proposals. The Bank hopes to mitigate climate risks through better disclosure of information. In addition, the Bank has published TCFD reports for three consecutive years and was awarded the highest level of accreditation by the British Standards Institute (BSI) Hong Kong.

- **Member bank of the Equator Principles (EPs)**

The Bank is committed to pursuing sustainable development and actively participates in initiative organizations. The Bank became a signatory to the Equator Principles (EPs) on Earth Day on April 22, 2022 and became a member bank of the voluntary initiative "Equator Principles". We incorporated environmental and social risk management into the credit review procedures for project financing and established related management mechanisms and procedures to fully implement environmental protection and social care.

# E. Fulfillment of Stewardship Responsibilities

## f. Participation in Initiative Organizations

- **Science Based Targets initiative (SBTi)**

In June 2022, the Bank signed an official agreement to join SBTi, the world's most recognized reduction target approval organization and became the first partially government-owned bank to commit itself to compliance with the carbon reduction goals set by SBTi. To comply with international carbon emission management standards, the Bank adopted the PCAF methodology to rigorously control the carbon emissions of investment and financing product portfolios and make steady and practical progress in sustainable finance as it maximizes business performance.

- **Listed in the S&P Sustainability Yearbook**

The Bank continues to excel in the global sustainability ratings, being listed in the S&P Sustainability Yearbook in 2023 、2024 and ranking in the top 10 percent of the global banking sector in 2024. The Bank will strive to fulfill its four sustainable visions of “Carbon Reduction,” “Sustainable Capital,” “Responsible Credit,” and “Financial Inclusive of Customers” and continue to implement sustainable transition and improve various management measures, with the ultimate goal of moving towards net zero.

- **Selected as the constituent stock of DJSI World Index**

The Bank was selected as the constituent stock of DJSI World Index for the first time in 2023.

- **Ranked in the Top 20% of the banking industry in the First Sustainable Finance Evaluation.**

## F. Conclusion

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As an institutional investor, CHB has signed the "Statement of Compliance with Stewardship Principles for Institutional Investors" and established the "Chang Hwa Bank Stewardship Principles". The Bank monitors, analyzes, and evaluates the information on environmental, social, and governance (ESG) issues of investees and achieves the target of sustainable operation goals of investees through engagement, dialogue and interaction with them, in order to create long-term value for funding contributors and the overall financial market.

## G. Stakeholder Communication Contacts

- Please contact us if you have any opinions or questions regarding this Report:

Contact information	Contact
Chang Hwa Bank Stewardship Principles	<a href="https://www.bankchb.com/frontend/mashup_eng.jsp?funcId=c3d085cf15">https://www.bankchb.com/frontend/mashup_eng.jsp?funcId=c3d085cf15</a>
Chang Hwa Bank Sustainability Website	<a href="https://www.bankchb.com/csr/index_eng.jsp">https://www.bankchb.com/csr/index_eng.jsp</a>
Investee/Other Institutional Investor	02-2536-2951 #2510
Client/Beneficiary	02-2536-2951 #2574

## H. Appendix (Disclosure of Shareholders' Meeting Voting Case by Case)

### A. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Long-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
Taiwan High Speed Rail Corporation	Proposal of 2022 Annual Business Report and Financial Statement of the Corporation		√			
	Proposal of 2022 Profit Distributions of the Corporation		√			
	Election of the Corporation's 10 <sup>th</sup> Board of Directors		√			
	Removal of Non-Competition Restriction Against the Corporation's 10 <sup>th</sup> Board of Directors		√			
Taiwan Sugar Corporation	Proposal of 2022 Annual Business Report and Financial Statement of the Corporation		√			
	Proposal of 2022 Profit Distributions of the Corporation		√			
	Amendments to the Articles 2,5,16 of Incorporation of the Company		√			
Taiwan Power Company	Proposal of 2022 Annual Business Report and Financial Statement of the Corporation		√			
	Proposal of 2022 Deficit Compensation Statement		√			
	Election of the Company's Board of Directors		√			
	Removal of Non-Competition Restriction Against the Company's Board of Directors		√			

## A. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Long-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
Taipei Forex Inc	Proposal of 2022 Annual Business Report		✓			
	Proposal of 2022 Profit Distributions of the Corporation		✓			
Lan-An Service Corporation	Proposal of 2021 Annual Business Report and Financial Statements of the Corporation		✓			
	Proposal of 2022 Profit Distributions of the Corporation		✓			
	Election of the Corporation's 10 <sup>th</sup> Board of Directors		✓			
	Removal of Non-Competition Restriction Against the Company's Board of Directors		✓			
CDIB & Partners Investment Holding Corp.	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		✓			
	Proposal of 2022 Deficit Compensation Statement		✓			
	Removal of Non-Competition Restriction Against the Corporation's 9 <sup>th</sup> Board of Directors		✓			
Nomura Asset Management Taiwan Ltd	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		✓			
	Proposal of 2022 Profit Distributions of the Corporation		✓			
	Amendments to the Articles of Incorporation of the Company		✓			
	Election of the Corporation's 10 <sup>th</sup> Board of Directors		✓			

## A. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Long-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
Financial Information Service CO., Ltd	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		✓			
	Proposal of 2022 Profit Distributions of the Corporation		✓			
	Amendments to the “Parliamentary Rules for Shareholders’ Meetings” and “Parliamentary Rules for Board of Directors’ Meetings”		✓			
Taiwan Asset Management Corporation	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		✓			
	Proposal of 2022 Profit Distributions of the Corporation		✓			
Taiwan Asset Management Corporation	Election of the Corporation’s 8 <sup>th</sup> Board of Directors		✓			
Taiwan Financial Asset Service Corporation	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		✓			
	Proposal of 2022 Profit Distributions of the Corporation		✓			
Taiwan Financial Asset Service Corporation	Election of the Corporation’s 8 <sup>th</sup> Board of Directors		✓			
Financial Esolution Co., Ltd.	Proposal of 2022 Annual Business Report		✓			
	Proposal of 2022 Financial Statement		✓			
	Proposal of 2022 Profit Distributions of the Corporation		✓			

## A. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Long-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
<b>Taiwan Depository &amp; Clearing Corporation</b>	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		V			
	Proposal of 2022 Profit Distributions of the Corporation		V			
	Proposal of for new share issuance through capitalization of earnings by the Company		V			
	Amendments to the Articles of Incorporation of the Company		V			
<b>Sun Asset Management Co., Ltd.</b>	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		V			
	Proposal of 2022 Profit Distributions of the Corporation		V			
<b>Taiwan Mobile Payment Co., Ltd.</b>	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		V			
	Proposal of 2022 Deficit Compensation Statement		V			
	Election of the Corporation's 4 <sup>th</sup> Board of Directors		V			
	Removal of Non-Competition Restriction Against the Corporation's 4 <sup>th</sup> Board of Directors		V			
<b>Taiwan Urban Regeneration &amp; Financial Services Co., Ltd</b>	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		V			
	Proposal of 2022 Deficit Compensation Statement		V			

## A. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Long-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
<b>CHB Venture Capital Co., Ltd</b>	Amendment to Procedures for Acquisition or Disposal of Assets of the Company		v			
<b>CHB Venture Capital Co., Ltd</b>	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		v			
	Proposal of 2022 Profit Distributions of the Corporation		v			
<b>Taiwan Stock Exchange Corporation</b>	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		v			
	Proposal of 2022 Profit Distributions of the Corporation		v			
	Issuance of new shares from part of the earnings for distribution to shareholders and the corresponding amendment to Articles 8 of the Company's Articles of Association for resolution		v			
<b>Taiwan Futures Exchange</b>	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		v			
	Proposal of 2022 Profit Distributions of the Corporation		v			
	Proposal for new share issuance through capitalization of earnings by the Company		v			
	Amendments to the Articles 9 and 15 of Incorporation of the Company		v			

## A. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Long-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
Asia Pacific Telecom Co., Ltd.	Proposal of 2022 Annual Business Report and Financial Statements of the Corporation		√			
	Proposal of 2022 Deficit Compensation Statement		√			
	Amendment to the Company's "Articles of Association"		√			
	By-election of directors		√			
	The Proposal of release of the Board of Directors from the non-compete clause		√			
Asia Pacific Telecom Co., Ltd.	Motion to Approve the Continuation of the Original Resolution Regarding the Merger with Far EasTone and to Correct and Confirm Any Flaws in the Original Resolution of the Merger with Far EasTone	√	√			The Bank believes that the merger will help to improve the company's operation. Asia Pacific Telecom has been performing poorly for a long time and its net worth has fallen below half of its equity capital in the first half of 2023. A merger is urgently needed to facilitate the future long-term development of the company. In order to facilitate the implementation of the merger, the Bank has therefore voted in favor of the proposal.

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
001	Business Report and Financial Statements of 2022.		V			
	Proposal for Distribution of Profits of 2022.		V			
	Proposal for long-term capital raising plan.		V			
	Amendments on part of Articles of Incorporation.		V			
002	Acceptance of the 2022 Business Report and Financial Statements.		V			
	Acceptance of the Proposal for Distribution of 2022 Profits.		V			
	To Elect Directors and Independent Directors.				V	
	Proposal for Release the Prohibition on Directors from Participation in Competitive Business.		V			
003	2022 Company's business reports and financial statements.		V			
	Adoption of the proposal for distribution of 2022 profits.		V			
	Election of one additional independent director of the Company.				V	
	Releasing of the non-competition restriction for the Company's current directors, representative of juristic person directors, additional independent director elected during their term according to the Article 209 of the Company Act.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
004	2022 Business Report and Financial Statements.		V			
	Proposal for Distribution of 2022 Profits.		V			
005	To ratify 2022 Business Report and Financial Statements.		V			
	To ratify 2022 earnings distribution.		V			
	To approve the amendment to the Articles of Incorporation.		V			
	To approve the amendment to the Parliamentary Rules for Shareholders' Meetings.		V			
	To approve the amendment to the Rules for Election of Directors.		V			
	To approve the permission of directors for competitive actions.		V			
006	2022 Business Report and Financial Statements.		V			
	Proposal for Distribution of 2022 Profits.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
007	Proposal for Distribution of 2022 Profits.		V			
	To approve the proposal for distribution of 2022 profits.		V			
	To approve the revisions to the “Articles of Incorporation of Far Eastern New Century Corporation”.		V			
008	The Company's 2022 business report and financial statements.		V			
	The Company's 2022 earnings distribution.		V			
	Proposal to release Independent Director, Lin, Su-Ming, from the non-compete restriction.		V			
	An independent director is to be elected additionally for the 35th board of directors.				V	
009	Proposed Resolution for Business Report and Financial Statements 2022.		V			
	Proposed Resolution for Allocation of Earnings 2022.		V			
010	Adoption of the 2022 Business Report and Financial Statements.		V			
	Adoption of the Proposal for Distribution of 2022 Earnings.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
011	Adoption of the Proposal for Distribution of 2022 Earnings.		V			
	Adoption of the 2022 Earnings Distribution Plan.		V			
	Discuss the Amendment to Articles of Incorporation.		V			
	Discuss the Amendment to the Procedures for the Acquisition and Disposal of Assets.		V			
	Discuss the Amendment to Procedures for Endorsement/Guarantee and Lending Funds to Other Parties.		V			
	Election of directors (the independent directors included).				V	
	Release of non-compete restriction for new directors.		V			
012	Adoption of the 2022 Annual Business Report and Financial Statements.		V			
	Adoption of the 2022 Earnings Distribution.		V			
	Discussion of the Amendments to the Articles of Incorporation.		V			
	Discussion of the Amendments to the Shareholders' Meeting Rules and Procedures.		V			
	Discussion of the Amendments to the Director Election Regulations.		V			
	Discussion of the Release from Non-competition Restrictions on Directors.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
013	Adoption of 2022 Financial Statements.		V			
	Adoption of 2022 Earnings Distribution.		V			
	Discussion of the Amendment to “Articles of Incorporation”.		V			
014	Adoption of 2022 Business Report and Financial Statements		V			
	Adoption of the proposal for distribution of 2022 earnings.		V			
	Amendment to the Articles of Incorporation		V			
	Amendment to the Fund Loan Procedures of Compeq		V			
	The 17th Election of Directors				V	
	To release the prohibition on directors from participation in competitive business.		V			
015	To approve 2022 Business Report and Financial Statements.		V			
	To approve the proposal for distribution of 2022 earnings.		V			
	Proposal for ShunSin Technology Holdings Limited, a Taiwan listed subsidiary of Hon Hai Precision Industry Co., Ltd. to issue an initial public offering of RMB-denominated ordinary shares (A Shares) through its subsidiary Shunyun Technology (Zhongshan) Limited on the China securities market.		V			
	To approve the lifting of director of non-competition restrictions.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
016	To ratify the Business Report and Financial Statements for the year 2022		V			
	To ratify the Distribution of Earnings for the year 2022		V			
	To approve the release of non-competition restrictions for Directors		V			
017	Ratification Proposal of the Financial Statements, Business Report and Profit Distribution Statement for the Year 2022.		V			
	To Approve the Listing Application of the Company's Subsidiary, WINKING ENTERTAINMENT LTD, on the Overseas Stock Market.		V			
	To Elect Seven Directors (Including Four Independent Directors) of the Company.				V	
	To Release Non-Compete Restrictions on Newly-Elected Directors and their Representatives .		V			
018	Ratification of the 2022 Business Report and Financial Statements.		V			
	Adoption of the Proposal for Distribution of 2022 Profits.		V			
	Proposes to elect new directors.				V	
	Proposal of release the prohibition on Directors and their representatives from participation in competitive business.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
019	Adoption of the 2022 Business Report and Financial Statements.		V			
	Adoption of the Proposal for Distribution of 2022 Profits		V			
	Amendment to the Company's "Articles of Incorporation".		V			
	The issuance of employee restricted stock awards.		V			
	Proposal to elect two additional independent directors.				V	
	Releasing the restriction of the non-compete clause for new directors.		V			
020	To accept FY2022 business report and financial statements (including independent auditor's report and Audit Committee's review report).		V			
	To approve the allocation of FY2022 distributable earnings.		V			
021	To accept Year 2022 business report and financial statements		V			
	To approve the proposal for distribution of Year 2022 profits		V			
022	Proposals for acknowledgement of 2022 Business Report, Financial Statements and the Proposed Distribution of Earnings of the Company		V			
	Proposal for amendment to the "Rules for Procedure for Shareholders Meetings"		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
023	The 2022 Business Report and Financial Statements.		V			
	Proposal for 2022 earnings distribution.		V			
	Discussion of amendment of the "Articles of Incorporation" of the Company.		V			
024	Issues on Business Report and Financial Statement for Year 2022.		V			
	Proposal on distribution of earnings in Year 2022.		V			
	Proposal on partial amendment to the Company's "Articles of Incorporation".		V			
	Proposal on partial amendment to the Company's "Regulations on Election of Directors".		V			
	By-election of one independent director seat for the Company.				V	
	Proposal on lifting of the prohibition of business strife out of directors and representatives thereof.		V			
025	Ratification of 2022 business report and financial statements.		V			
	Ratification of 2022 earnings distribution proposal.		V			
	Amendments to the Articles of Incorporation.		V			
	Release of non-competition restrictions on Directors.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
026	The Company's 2022 Business Report and Financial Statements.		V			
	The Company's 2022 Distribution of Earnings.		V			
	Motion of Election of the 15th Board of Directors.				V	
	Request for review of the proposed removal of non-compete clause for the Company's directors.		V			
027	To accept 2022 Business Report and Financial Statements.		V			
	To approve the proposal for distribution of 2022 profits .		V			
028	Approval of 2022 Business Report and financial statements.		V			
	Approval of 2022 Earnings Distribution.		V			
	Discussion about the amendments to the rule of the Procedures of Acquisition Disposal of Assets.		V			
	Discussion about the release the directors from non-competition restrictions.		V			
029	2022 Business Report and Financial Report.		V			
	2022 Annual Profit Distribution Table.		V			
	Amendment to Articles of Incorporation.		V			
	Election of directors.				V	
	Lift the restrictions on the non-compete clause of new directors and their representatives.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
030	The 2022 Business Report and Financial Statements		V			
	The Proposal for Earnings Distribution of 2022		V			
031	2022 Business Report and Consolidated Financial Statements.		V			
	The Proposal for Distribution of 2022 Earnings.		V			
	Amendment to the Company's Articles of Incorporation.		V			
	The Proposal for Issuing New Shares through Capitalization of 2022 Earnings.		V			
	Proposal of Releasing the Prohibition on Directors from Participation in Competitive Business.		V			
032	adoption of the business report and financial statements for the fiscal year of 2022.		V			
	adoption of the proposal for profits distribution of 2022.		V			
	Proposal for amendments to the "Articles of Incorporation" of the Company.		V			
	Reopening of the Entie Bank merger case, which is the second proposal raised at the first extraordinary shareholders' meeting of the Company in 2021. (proposed by shareholder).	V			V	As the merger and acquisition that the shareholders wish to resume has already been automatically terminated and the company has no objection to pursuing other merger and acquisition opportunities in the future, the Bank therefore abstained from voting.
	Election of directors of the 8th term of the Company.		V			
	proposal for amendments to the "Handling Procedures for Acquisition or Release of non-competition restrictions for directors of the 8th term of the Company.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
033	Business Reports and Financial Statements for year 2022.		V			
	Proposal for distribution of 2022 earnings.		V			
	Appropriation of 2022 undistributed earnings as capital through issuance of new shares.		V			
	Proposal moves for amending the Company's "Articles of Incorporation" .		V			
	To elect four general directors and three independent directors of the Eighth Term of the Board of Directors.				V	
	To release directors of the Eighth Term of the Board of Directors from non-competition restrictions.		V			
034	2022 Business Report, Independent Auditors' Report, and Financial Statements.		V			
	2022 earnings distribution plan.		V			
	Amendments to the Articles of Incorporation.		V			
	Approval of issuing 2023 restricted stock awards.		V			
035	Please recognize the 2022 business report and consolidated financial statements of the Company.		V			
	Please recognize the distribution of 2022 profits.		V			
	Please approve the issuance of new shares via capitalization of profits of 2022		V			
	Please approve the release of Non-Competition restriction on the 7th term board of directors.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
036	Ratification of 2022 Financial Statements.		V			
	Proposal for Distribution of 2022 Profits.		V			
	Amendments to Articles of Incorporation of the Company.		V			
	Proposal for Releasing Directors from the Obligation of Noncompetition.		V			
037	Ratification of the 2022 Business Report and Financial Statements.		V			
	Ratification of the 2022 Earnings Distribution.		V			
	Proposal for Amendments to the “Rules of Procedure for Shareholders Meetings”.		V			
	Release of Directors from Non-competition Restrictions.		V			
038	2022 Business Report and Financial Statements.		V			
	2022 Earnings Distribution.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
039	To approve the 2022 Business Report and Financial Statements.		V			
	To approve the proposal for the distribution of 2022 retained earnings.		V			
	To approve the cash return from capital surplus.		V			
	To elect nine board directors (including five independent directors) for the tenth term.				V	
	To approve the removal of the non-competition restrictions on the Board of Directors.		V			
040	Adoption of the 2022 Business Report and Financial Statements and Profit Allocation Proposal.		V			
	Amendment to the Company's "Article of Incorporation".		V			
	By-election of one Independent Director.				V	
	Proposal to Release the Prohibition on Directors from Participation in Competitive Business.		V			
041	Ratification of the Business Report and Financial Statements of 2022.		V			
	Ratification of the proposal for distribution of 2022 profits.		V			
	Discussion of the issuance of new common shares for cash to sponsor the issuance of GDR and/or the issuance of new common shares for cash through public offering and/or the issuance of new common shares for cash through private placement and/or the issuance of new common shares for cash to sponsor the issuance of GDR through private placement.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
042	To ratify the business report and financial statements of 2022.		V			
	To ratify the earnings distribution of 2022.		V			
	To approve the amendment to the "Articles of Incorporation ".		V			
	To approve the amendment to the "Rules of Procedure for Shareholders Meetings".		V			
	Election of the 9th term of directors.				V	
	To approve the release of non-competition restrictions for newly elected directors of the Company.		V			
043	To accept 2022 Business Report and Financial Statements.		V			
	To approve 2022 profits distribution proposal.		V			
	To change the company name and amend the Articles of Incorporation.		V			
	To elect the Seventh Board of Directors.				V	
	To release Directors of the Company from Non-Compete Restriction.		V			
044	Business Report and Financial Statements of 2022.		V			
	Distribution of 2022 earning.		V			
	To elect Directors (including five non-independent directors and four independent directors).				V	
	The restriction of non-compete agreement of newly elected directors and director's legal representative are removed.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
045	Proposal for the Company's Business Report and Financial Statements of 2022.		V			
	Proposal for 2022 Deficit Compensation.		V			
	The amendments to the Company's "Articles of Incorporation".		V			
	The issuance of new common shares for cash in a private placement.		V			
	To lift non-competition restrictions on board members.		V			
046	Approval of 2022 business report and financial report.		V			
	Acknowledgment of 2022 earnings appropriation.		V			
	Proposal of the Company's issuance of new shares through capitalization of retained earnings and capital surplus.		V			
	Proposal of the issuance of employee restricted stock awards for 2023.		V			
047	The 2022 financial statements (including 2022 business report).		V			
	The 2022 retained earnings distribution (Cash Dividend NT\$2.379 per share).		V			
	To discuss and approve the cash distribution from legal reserve (Cash NT\$0.871 per share).		V			
	To discuss and approve the amendment of "Handling Procedure for Acquisition and Disposal of Assets".		V			
	To discuss and approve the amendment of "Procedure for loaning capital to others".		V			
	To discuss and approve the amendment of "Procedure for Making Endorsements and Guarantees".		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
048	The Company's 2022 business report and financial statements.		V			
	The Company's 2022 distribution of earnings.		V			
	Amend the Company's "Articles of Incorporation".		V			
	Proposed Issuance of Restricted Employee Stock Awards.		V			
	By-election of directors.				V	
	Removal of the non-compete restrictions on the director and the newly elected directors.		V			
049	2022 business report, financial statements and earning distribution.		V			
	Amendment to the "Procedures for Lending Funds to other Parties".		V			
	Amendment to the "Procedures for Endorsement and Guarantee".		V			
	Issuance of new shares through public offering or private placement in response to the Company's capital needs.		V			
	The election of directors.				V	
	Release the prohibition on new director from participation in competitive business.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
050	To accept 2022 Business Report and Financial Statements.		V			
	To approve the proposal for distribution of 2022 profits.		V			
	Issuance of new shares via capitalization of retained earnings.		V			
	Amendment to the “Memorandum & Articles of Association”.		V			
	To consider and approve the company’s plan to raise long-term capital.		V			
	To consider and approve the assessment and planning of making the initial public offering of ordinary shares and applying for listing on the stock exchange in Malaysia by the Company’s subsidiary Chailease Berjaya Credit Sdn. Bhd. (incorporated in Malaysia).		V			
	Directors Election.				V	
	Proposal of releasing the Non-Competition Restrictions on Directors.		V			
051	To accept 2022 Business Report and Financial Statements.		V			
	To approve the Proposal for Distribution of 2022 Earnings.		V			
	Discussion of amendments to the Company's "The Rules of Procedure for Shareholders Meetings"		V			
	Discussion to approve the lifting of non-competition restrictions for directors and their representatives of the Company.		V			
052	Recognition of the 2022 Business Report and Financial Report.		V			
	Recognition of the 2022 Earnings Distribution.		V			
	Amendment to certain provisions in the Articles of Incorporation.		V			
	Discussion on partial amendments to the Regulations Governing the Acquisition and Disposal of Assets.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
053	Proposal for the Company's 2022 financial statements.		V			
	Proposal for the Company's 2022 Earnings Distribution.		V			
	Comprehensive re-election of 7 directors (Including 4 independent directors) for the 11th Meeting of Board of Directors.				V	
	The Motion for Termination of the Non-Competition Restriction Imposed on New Directors and Their Representatives.		V			
054	To ratify the Report of Business and the Audited Financial Statements of year 2022.		V			
	To approve the year 2022 Earnings Distribution Plan.		V			
	To approve the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic convertible bonds in private placement ("Private Placement CB") and/or issuance of overseas or domestic convertible bonds ("CB").		V			
	To approve the Reelection of Directors of the Board.		V			
	To review and approve the Waiver of the Non-Competition Clause imposed on new Directors.		V			
055	2022 Business Report and Financial Statements.		V			
	2022 Distribution of Remunerations.		V			
	Proposal of amending the Company's "Articles of Incorporation."		V			
	Proposal for the 2023 issuance of Restricted Stock Awards.		V			
	Proposal to conduct public offerings of ordinary shares, or issue new shares to participate in GDRs, or private placements of ordinary shares, or overseas or domestic convertible bonds.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
056	2022 Business Report and Financial Statements.		V			
	2022 Earning Distribution.		V			
	2022 Issuance of New Shares for Capital Increase.		V			
	Amendments to the Articles of Association.		V			
057	Ratification of the 2022 Business Report and Audited Financial Statements.		V			
	Ratification of the proposal for distribution of 2022 earnings.		V			
	To elect one additional Independent Director.				V	
058	Approval of the Company's 2022 business report and financial statements.		V			
	Approval of the Company's 2022 distribution of earnings.		V			
	Election of directors and independent directors.				V	
	Suspension of the non-competition restriction on the Company's newly elected directors.		V			
059	Adoption of the 2022 Business Report and Financial Statements.		V			
	Adoption of the proposal for 2022 Earnings Distribution.		V			
	Amendment to the “Rules of Procedures for Shareholder Meetings”.		V			

## B. Proposal-by-proposal disclosure of voting at the 2023 annual shareholders' meeting – Short-term Equity Investment

	Proposal	Material proposals	For	Against	Abstain	Reason
060	Ratification of the 2022 Financial Statement and Business Report.		V			
	Ratification of the 2022 Profit Distribution Plan.		V			
	Discussion on the amendments to the Company's "Articles of Incorporation".		V			
	Discussion on Issuance of new shares through capitalization of earnings.		V			
061	2022 financial statements.		V			
	Distribution of 2022 earnings.		V			
062	To ratify 2022 Business Report and Financial Statements.		V			
	To ratify the Company's distribution of 2022 earnings.		V			
	To approve the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets".		V			
	Election of the 12 Board Directors for the 16th term.				V	
	To approve removing the non-competition restrictions on 16th term Board Directors.		V			
063	Preferred shares amendment to the 2022 earnings distribution plan		V			