

Concord Securities Co., Ltd.
“Stewardship Principles for Institutional Investors” Compliance Statement

Concord Securities Co., Ltd. (hereinafter referred to as the Company) primarily engages in securities brokerage, proprietary trading, and underwriting businesses and is classified as an asset owner. The Company declares its compliance with the “Stewardship Principles for Institutional Investors” and the status of compliance with the six principles is as follows:

Principle I Formulate and disclose the due diligence governance policy

The Company’s operational goal is to maximize shareholders’ interests through brokerage, proprietary trading, and underwriting businesses. To achieve this goal, the Company has, with the approval of the Board of Directors, established the “Stewardship Principles for Institutional Investors,” which are disclosed on the Company’s website. In accordance with the Securities and Exchange Act and other relevant regulations, the Company has also formulated its proprietary trading and underwriting business guidelines to fulfill stewardship responsibilities and participates in the shareholders’ meetings of investee companies to enhance investment value and promote the overall interests of the Company and its shareholders.

Principle II Formulate and disclose the conflict of interest management policy

To ensure that the Company conducts its business in the best interests of shareholders, the Company has established relevant management regulations and a conflict of interest management policy for employees, which include measures for managing situations that may conflict with the interests of the Company or other clients.

Principle III Continuously monitor investee companies

In response to the continuous expansion of its investment scope, in addition to stocks, the Company will also, depending on the significance of the investment, extend stewardship to investments in other asset classes such as bonds and incorporate risks and opportunities related to sustainability issues, including environmental, social, and corporate governance (ESG) factors, into its investment process. Under the principle of ensuring the Company receives complete and effective information to evaluate the nature, timing, and extent of its conversation and interaction with investee companies, and to establish a solid foundation for its investment decisions, the Company may focus on the following issues regarding investee companies: relevant news, financial performance, industry overview, business strategy, environmental protection measures, social responsibility and labor rights, and corporate governance.

Principle IV Engage in appropriate conversation and interaction with investee companies

The Company engages in appropriate conversation and interaction with investee companies to further understand and communicate with their management regarding the risks and strategies faced by the industry. Each year, the Company communicates with the management of investee companies through conference calls, meetings, participation in investor conferences, or by sending representatives to attend annual general shareholders’ meetings or extraordinary shareholders’ meetings on major motions. When an investee company is found to have significantly violated corporate governance principles or poses a risk of harming the long-term value of the Company’s shareholders on specific issues, the Company will, from time to time, inquire with the management of the investee company about how the matter is being addressed and does not rule out the possibility of joining other investors to collectively express concerns. The Company may also participate in relevant advocacy organizations on specific ESG issues to jointly expand and exert the influence of institutional investors.

Principle V Establish and disclose a clear voting policy and disclose voting outcomes

To maximize shareholders’ interests, the Company has established a clear voting policy and actively exercises voting rights on shareholders’ meeting motions, but does not unconditionally

support proposals put forward by the management of investee companies. The Company discloses on its website a summary of its voting record each year on various proposals of investee companies, including the numbers of votes cast in favor, against, or abstained, the principles for supporting, opposing, or abstaining on major motions, and explanations of the reasons for voting in favor, against, or abstaining on major motions.

Principle VI Regularly disclose the status of due diligence governance fulfillment.

Each year, the Company regularly publishes the most recent “Stewardship Report” on its website (<https://www.concords.com.tw>) to disclose the status of its stewardship practices. The contents include:

- I. Statement of compliance and description for any principles that could not be complied with.
- II. Attendance at investee companies’ shareholders’ meetings, voting status, and other significant matters.
- III. Internal resources dedicated to implementing stewardship during the reporting period.
- IV. Channels for stakeholders such as clients, investee companies, or other institutional investors to contact the signatory.
- V. Summary of engagement activities report.
- VI. Major conflict of interest incidents, including their background and handling method.


Signatory Concord Securities Co., Ltd.
August 30, 2023