

Taishin International Bank

Statement of Compliance with Stewardship Principles for Institutional Investors

Taishin International Bank Co., Ltd. operates within a scope of business as approved by the Banking Act and the central competent authority. For the long term interests of capital providers (including clients, beneficiaries, and shareholders of Taishin Bank, collectively referred to as the "Capital Providers"), Taishin Bank 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 Taishin Bank is to maximize the interests of Capital Providers by operating a banking business. To achieve this objective, and pursuant to the Banking Act and other regulations, Taishin Bank has established and implements guidelines for subsidiary management and risk management.

Taishin Bank should conduct stewardship activities where, as an investor or trustee who holds voting rights for trust assets, Taishin Bank holds 5% or more of the shares, or the equivalent of NT\$300 million or more, in a domestically listed company for more than one year.

Based on the objectives, costs, and benefits of an investment, Taishin Bank decides the method, level, and frequency of its stewardship activities, including regularly monitoring investee companies, maintaining an appropriate dialogue and interaction with investee companies, as well as attending shareholders' meetings hosted by investee companies and exercising voting rights, in order to further create investment value and long term benefits for Capital Providers.

Taishin Bank should disclose implementation of its stewardship activities on its website, and update the information at least once a year.

Principle 2 Establish and Disclose Policies on Managing Conflicts of Interest

For the purpose of ensuring that business is conducted in alignment with the interests of Capital Providers, Taishin Bank has established rules regarding workplace conflicts of interest in the Employee Code of Conduct and related policies. These

rules are intended primarily to prohibit employees from taking advantage of their duties or positions to benefit themselves or third parties. They further prohibit employees from evading rules, and conducting activities in conflict of interest with Taishin Bank through third parties (including family members, business partners, and friends) instead.

Principle 3 Regularly Monitor Investee Companies

To ensure that Taishin Bank obtains sufficient and valid information to assess the nature, duration, and intensity of its dialogue and interaction with investee companies, and to build a solid basis for Taishin Bank's investment policy, Taishin Bank pays attention to investee companies in terms of related news reports, financial performance, industry overview, management strategy, environmental practices, social responsibilities, labor rights, and corporate governance.

Principle 4 Maintain an Appropriate Dialogue and Interaction with Investee Companies

By maintaining an appropriate dialogue and interaction with investee companies, Taishin Bank engages the management teams and gains a clearer insight into the risk and strategies they face. In addition, Taishin Bank works on reaching a certain degree of consensus with the investee companies on long term value creation. Taishin Bank engages management teams of investee companies every year through conference calls, face-to-face meetings, and sending representatives to investor conferences and general and extraordinary shareholders' meetings. When an investee company is potentially in serious violation of the Principles of Corporate Governance, or may impair long term value of Taishin Bank's Capital Providers on certain issues, Taishin Bank will contact the management team of the investee company for updates as needed, and may join other investors with similar views in expressing their concerns.

Principle 5 Establish Clear Voting Policies and Disclose Voting Activities

As part of its commitment to maximize benefits for Capital Providers, Taishin Bank actively exercises voting rights in shareholders' meetings hosted by investee companies that constitute stock investments where Taishin Bank should conduct stewardship activities. Taishin Bank may exercise voting rights in writing or by way of electronic transmission as provided in Article 177-1 of the Company Act.

Taishin Bank should evaluate the proposals carefully before exercising a voting right. Taishin Bank respects the know-how of investee companies, and in the interest of effective growth, supports all proposals in general. However, if an investee company is potentially in serious violation of the Principles of Corporate Governance, or may impair long term value of Taishin Bank's Capital Providers on certain issues, Taishin Bank will withdraw support in principle, and it should not be taken for granted that Taishin Bank will always agree with the management team's proposals.

Taishin Bank should disclose all voting activities in a year on its website every year.

Principle 6 Periodically Disclose Fulfillment Status of Stewardship Responsibilities to Clients or Beneficiaries

Taishin Bank discloses its stewardship activities regularly on its website (or separately in the annual report/business report), including compliance with this Statement, reasons for failure to comply with certain principles, participation and voting in shareholders' meetings of investee companies, and other material information.

Signatory: Taishin International Bank Co., Ltd.
December 5, 2018