

Fubon Asset Management Company Limited

Voting Policy

1. Purpose and Principles for the Exercise of Voting Rights

The Company has established the approval hierarchy for the evaluation of proposals for shareholders' meetings. General proposals are evaluated by the investment team, reviewed by the director of the Investment Department, and approved by the President. If there is any material proposal (i.e., remuneration system, compensation of Directors and supervisors, M&As, material business strategies, elections of Directors and supervisors, or changes in management rights), and the total shareholding of the fund accounts for 1% (inclusive) of total outstanding shares of the investee, the proposal shall be approved by the Chairman.

When necessary, the investment team may communicate with and achieve an understanding with the management of the investee before the shareholders' meeting, including but not limited to the following circumstances, to serve as the standards to evaluate whether the investment is in line with the best long-term economic benefits of shareholders, and then, exercise the rights to vote.

- (1) The proposal information provided is incomplete.
- (2) The candidate nomination system is not adopted for a proposal for the election of Directors and supervisors.

Based on the maximum benefits of customers and beneficiaries, the Company actively exercises its voting rights at shareholders' meetings, and the Company shall not directly or indirectly engage in the fight over management rights of investees, or assist others in acquiring or solidifying management rights, or inappropriate arrangements.

2. Thresholds for Attending Shareholders' Meetings and Exercising Voting Rights

- (1) If an investee held by any securities investment trust fund managed by the Company fails to adopt electronic voting, the number of shares is less than 300,000 shares, and the total shares held by all funds managed by the Company are less than 1,000,000 shares, the Company is not required to appoint personnel to attend the shareholders' meetings.
- (2) If shares of an investee held by any securities investment trust fund managed by the Company are less than 1,000 shares, the Company is not required to apply for the issuance of shareholders' meeting notice and voting tickets for stocks held by the fund with the investee and is not required to exercise the voting rights of stocks held by the fund.
- (3) If a foreign investee invested by any securities investment trust fund managed by the Company convenes a shareholders' meeting, the Company will not attend in

person to exercise its voting rights considering costs and geographical factors. For the abovementioned circumstances, if the foreign investee convened its shareholders' meeting by adopting a written method, the Company will exercise its voting rights according to the requirements.

- (4) If the asset scale of a single fund of the Company reaches NT\$30 billion, and the total outstanding number of shares invested in a foreign investee reaches 1% (inclusive), the Company will exercise the voting rights of such foreign stocks held by the fund.
- (5) Apart from not exercising voting rights based on the abovementioned requirements, the Company exercises its voting rights by appointing personnel to attend shareholders' meetings or by way of electronic voting means.

3. Evaluation of Proposals for Shareholders' Meetings

Before exercising its voting rights, the Company attentively evaluates proposals for shareholders' meetings based on the following principles and exercises its voting rights.

(1) Financial-Related

- i. Ratification of Business Reports and Financial Statements: To examine whether there are any material dispute, negative or involvement negative press releases related to the transaction and to evaluate the effect on the operation of investees.
- ii. Earning Distribution or Loss Compensation: Examine whether the capital expenditures and business plan or capital reserve are reasonable and evaluate the effects on the operation of investees.

(2) Internal Rule-Related

- i. Involving Investment Limits: Examine whether there is any material equity transaction; if there is, learn the plan of the equity transaction and potential effects on the future operation of the investee and the shareholding of existing shareholders.
- ii. Board Composition: Examine whether there is any dispute over management rights and potential effects of personnel involved on future business strategies of the investee.

(3) Equity Transaction-Related

- i. Issuance of Securities of an Equity Nature to Employees: Examine the distribution ratio, whether the distribution targets include material employees, whether the distribution targets are overly extensive or overly limited, and the effects of the distribution of incentives on the future operation of the investee.
- ii. Capital Increase and Deduction in Cash:
 - (i) Cash Increase: Examine the effects on the operation, finance, and strategy of the investee.
 - (ii) Cash Deduction or Capital Loss Compensation: Examine whether the capital

decrease ratio is too high and the reason for the capital decrease and evaluate the reasonableness and necessity of the capital decrease.

- iii. Private Placement of Securities of Equity Nature: Examine whether the list of places is disclosed, the deciding method for the price of the private placement, how the investee will seek targets for the private placements and evaluate the effects of targets for the private placements on the future development of the investee.
 - iv. Corporate Merger, Acquisition, Share Conversions, or Splits: Examine and evaluate the reasonableness of the transaction price and the effects of transaction counterparties on the long-term development of the investee.
 - v. Voluntary De-listing or Cancellation of Public Offering: Examine the future plan of the investee and evaluate the reason for the investee for voluntary de-listing or cancellation of public offering and its effects on the interest of existing shareholders.
- (4) Management Rights-Related
- i. Board Diversification: Examine whether the ratio of independent directors or female directors in the board of the investee is too low and whether the ratio of corporate directors is too high and evaluate the diversification and independence of board members to optimize the board structure.
 - ii. Dismissal of Director or Supervisor: Evaluate the reason for the dismissal of directors or supervisors and its effects on the investee.
 - iii. Non-Competition: Examine whether directors and supervisors of the investee have too many concurrent duties and evaluate:
 - (i) The substantial conflicts of interest with the investee of such duties.
 - (ii) Whether the companies of concurrent positions have frequent related party transactions with the investee.
 - (iii) The attendance rate of the concurrent director or supervisor for board meetings of the investee.
 - (iv) Whether the concurrent positions of directors and supervisors affect their level of participation in the investee.

4. Opposing Motive and Standard

To respect the management profession of investees and facilitate their effective development, the Company shows its support for proposals brought forward by the management in principle. If any proposal of an investee is unfavorable to sustainable development as assessed or not compliant with ESG principles, the Company will not show its support (abstention or casting opposing votes). For example, including but not limited to the following:

- (1) Material disputes related to transactions or involvement in negative press releases have effects on the future operation of the investee.

- (2) Disputes over management rights and persons involved have effects on the future business strategies of the investee.
- (3) Dilution of shareholders' interest or excessive capital decrease ratio that harms shareholders' interest.
- (4) Low independent director ratio, high corporate director ratio, or non-female director, and Board members with no diversification
- (5) Too many concurrent positions of directors or an attendance rate of board meetings less than 80% affect the level of participation in the investee.
- (6) Insufficient information was provided for proposals.

Voting result disclosure

The Company will properly record and retain the documents related to the fulfillment of voting rights and disclose the voting status on the Company's website at least once a year.