

4.3 Customer Relations

Mega Securities Co., Ltd.
Fair Customer Treatment
Committee Organic Charter



Fair Customer Treatment Policy
and Strategy



4.3.1 Fair customer treatment

Fair customer treatment policy and operations

Mega Securities upholds the financial expertise and philosophy of ethical corporate management, taking fair customer treatment as the core value of the corporate culture, while referring to the Financial Consumer Protection Act and the Principles of Fair Customer Treatment, to establish the policy and strategies of fair customer treatment, as well as the annual fair customer treatment plan. Through the implementation of the three lines of defense, namely business department, legal compliance and risk management, and audit, the business departments verify the Principles of Fair Customer Treatment, and the Legal Affairs and Compliance Office issues the supervisory report, to be submitted to the Fair Customer Treatment Promotion Committee and Board of Directors, and the implementation of fair customer treatment plans are reported in board meetings. The Board of Directors implements the accountability system according to the "Plan, Do, Check, Act" (PDCA) management cycle. Through the annual customer satisfaction survey and secret guest survey, customer complaints are reviewed in the meetings of the Fair Customer Treatment Committee on a quarterly basis. The internal regulations are reviewed if any revision is required on a yearly basis. The business departments review the products or services in the internal department meetings regularly and from time to time, to understand the attributes and needs of customers and adjust the design, marketing, channels, and dispute resolution of related financial products and services. Through the fair customer treatment and financial-friendly service seminars, among other training courses, the fair customer treatment is internalized into each employee's mind, to implement the principle of customer fair treatment from top to bottom. In addition, the entire official website of Mega Securities has obtained the certification of Accessibility Label, and in the website, the specific sections of fair customer treatment, financial-friendliness, and age-friendliness are established, so that the protection of the rights and interests of the underprivileged are protected; it also discloses the various friendly measures provided by Mega Securities, while continuously upgrading the barrier-free facilities and equipment of all operating sites to create a financial-friendly environment.


The Fair Customer Treatment Committee

Mega Securities' Fair Customer Treatment Promotion Committee is under the Board of Directors, chaired by the General Manager, with the heads of relevant departments as members. Through the participation of all departments, the Committee establishes policies and strategies of fair customer treatment principles, and rules and regulations of consumer dispute handling system, while incorporating related regulations and cases in the regular education and trainings to enhance employees' awareness of financial consumer protection. The Committee meets at least once a quarter, to track and review the implementation of annual plans,


customer complaints and financial consumption disputes, and then submit the meeting minutes and implementation status to the Board of Directors. The overview of implementing policies and strategies of fair customer treatment principles and results of self-assessment results are reported to the Board of Directors before the end of March each year.

Fair Customer Treatment Education and Training

Mega Securities organizes education and training on fair customer treatment for directors, supervisors, and employees every year, through both physical lectures and online courses at the same time. The courses cover the regulations of fair customer treatment, case studies, the Convention on the Rights of Persons with Disabilities, and simulation courses, to provide employees with diverse learning channels and course types, to enhance employees' awareness of fair customer treatment, while enhancing the empathy for the elderly or physically and mentally challenge, among other disadvantaged groups, thereby improving overall service quality, to elevate the customer satisfaction, and implement the fair customer treatment. In 2023, a total of 4,237 employees participated in the training, and the total training hours were 8,086 hours; the total number of trained directors and supervisors was 16, and the total training hours were 48 hours, with a completion rate of 100%. The education and training courses include thematic courses such as the principle of fair customer treatment in the financial service industry, duty of care and loyalty, case studies of financial consumer disputes and penalties, description of ISO 10002 guidelines for complaints handling and practical training thereof, Convention on the Rights of Persons with Disabilities, dark dialogue workshop, low visually impaired vision experience, and financial friendly seminars.



Mega Securities was recognized by the "Fair Customer Treatment" Rating of Financial Supervisory Commission for the third time, implementing the attentive ethical service



The Financial Supervisory Commission announced the results of the 2023 "Fair Customer Treatment" rating in the securities industry. For the first time, the securities industry was divided into large-scale securities firms and other comprehensive securities dealers. Mega Securities was ranked in the top 25% of large-scale securities firms; not only the Company was recognized by the competent authority as one of the top 25% in terms of fair customer treatment for the third time, and it was the only one among large comprehensive securities firms to be included in the list for three consecutive terms.

Highlights

Financial friendly services

Mega Securities has established comprehensive policies related to financial friendliness, and listed financial friendliness measures in the annual fair customer treatment plan, tracking the implementation on a quarterly basis, with reports in the meetings of the Fair Customer Treatment Promotion Committee and the Board of Directors; before entering contracts with young and elderly customers, the information related to the customer group is fully understood as required by the Company, to ensure the suitability of the product or service for young and elderly customers, with complete explanation of the contents and disclosures of potential risks to them. In addition, the implementation of care for elderly customers by branches is reviewed on a monthly basis. If any branches fails to complete the tasks, the reminder email will be sent notify the branch to complete the task.

Financial Friendliness Related Regulations	Content
Operating procedures of “Know Your Customer” (KYC)	The principle of KYC operation is specified, and the applicable customers include young and elderly people.
Meeting Regulations for Product Review Team under Brokerage Business Department	It is the decision-making unit to handle the new product onboarding, grade investment risk levels of financial products, adjust investment risk levels of financial products, and review the financial products before launch. The applicable customers include young and elderly people.
Rules of Providing Financial Services to Elderly Customers	Specifying the principles shall be followed when providing all financial services elderly customers.
Operating Regulations of Providing Financial Services to Elderly Customers	Specifying the KYC and KYP procedures to be complied with by the elderly customers, care in good faith, and obligations of disclosure and informing. For example, for the financial product transacted by the elderly customers of wealth management and trust business, the customer care and confirmation (telephone interview or interview in person) shall be conducted for any of the following circumstances: elderly customers authorizing or changing a third party to engage in product transaction, elevating the risk level right before purchasing high-risk product, transferring assets with great amounts, to remind them the trading risk and fraud.
Enforcement Rules for Wealth Management and Trust Business Risk Management	Specifying the risk management control of positions and notification for customers, including young and elderly people.
Enforcement Rules for Brokerage Business Risk Management	Specifying the risk control mechanism for the cash equity day trading (also applicable to young people).
Interviews for securities (futures) customer as care with good faith	Specifying that elderly customers are first sampled as the recipients of care.
Regulations of Financial Friendly Services	Specifying that the friendly facilities at the headquarters and branches shall be reviewed and improved every year (once for every six months in practice); employees providing excellent financial friendly services are praised.
Account Opening Contract	Attached with the Risk Precautions.

As of March 2024, 29 of Mega Securities' operating sites are bilingual, accounting for 85.29% of all 34 locations in the six major cities. In the lobby on the first floor of the headquarters includes, the floor guide is in both Chinese and English, and the annual financial reports are translated into English.

To encourage the implementation of fair customer treatment and motivate officers and employees at all levels to actively promote the fair customer treatment, Mega Securities was ranked among the top 25% among large securities firm rated by the competent authority in the 2023 Fair Customer Treatment Rating. The employees of the three-line defense, the top three branches for the financial friendly attitude in the telephone etiquette testing by secret customer, outstanding employees of promoting financial friendly services (Share Agency Department) and the employees successfully preventing fraud (Brokerage Business Department) are rewarded pursuant to the Company' s Employee Reward and Punishment Procedures, to shape the corporate culture emphasizing fair customer treatment.

Promotion activities for fraud prevention in 2023

Format	Content
10 sessions of physical events	<ul style="list-style-type: none"> A lecture on financial and wealth management training (including fraud prevention) for teachers was held at Hengshan Junior High School in Hsinchu on June 7, 2023, with a total of 23 elementary and junior high school teachers participated. On July 12, 2023, the Company participated in the 2023 "Financial Service Charity Carnival" to promote financial knowledge and prevent financial fraud. A lecture on financial and wealth management training (including fraud prevention) for teachers was held at Datung Elementary School in East District, Tainan City on September 13, 2023, with a total of 46 elementary and junior high school teachers participated. On September 25, 2023, the event of Exploring the Multiverse of Mega Securities (including fraud prevention) was held at the headquarters. A total of 56 high school and college students participated. In 2023 (on January 6, March 21, May 2, and September 26), the Company and the TABF jointly organized four "Financial Knowledge Seminars for Colleges" (including fraud prevention), with 271 participants. On November 2, 2023, a lecture on financial knowledge education for faculty of elementary and junior high schools (including fraud prevention) was held in the headquarters, 29 principals and directors from elementary and junior high schools in Tainan participated. On December 7, 2023, the Company was invited to hold the "Financial Knowledge Seminars for Colleges" (including fraud prevention) at Fu Jen Catholic University, with a total of 85 participants.
One online session in total	<ul style="list-style-type: none"> In November 2023, one online course on principles of fair customer treatment in financial services (including fraud prevention) was held for all employees.

Format	Content
31 sessions of media broadcasts (including broadcasts on the official website, social media, or video walls)	<ul style="list-style-type: none"> In 2023, in response to the anti-money laundering promotion required in the letter from the Executive Yuan, the related videos are played in the business venues (the TV walls at the first floor of the headquarters and business halls of branches); of which, three videos include the fraud-prevention (Aunt Shu-Fang, Hsin-Chun Kuo, (real-name system for virtual currency), and Chia-Ling Luo (internet fraud and anti-money laundering). The videos are played once every business day, until December 31, 2023, for a total of 238 trading days) A total of seven fraud prevention videos and messages were added on the wealth management website, and 12 videos and messages on the image website for the whole year, or 365 days. The link to the anti-money laundering promotional video on the wealth management website, which was broadcasted for 365 days. In 2023, three new posts regarding fraud prevention were added to the official Instagram account of Mega Securities (with more than 870 followers), broadcasted for a whole year, or 365 days in total. In 2023, Mega Securities' official Facebook page (with more than 15,000 followers) added four news articles regarding fraud prevention, which were broadcasted throughout the year, for a total of 365 days. In 2023, one new fraud prevention announcement was added to the Mega Securities mobile VIP app, broadcast for the whole year, for a total of 365 days.

4.3.2 Customer complaint management

Mega Securities complies with the Financial Consumer Protection Act, and has established the "Guidelines of Customer Complaint and Financial Consumer Dispute Handling System (including the SOP of handling process)." To improve the efficiency and quality of customer complaint handling, the cases are graded. In principle, the time limit for handling general customer complaints is 10 days, and 20 days for more complex financial consumer disputes. In both cases, the results of customer complaint handling are replied within the time limit. If necessary, the time limit can be extended to 30 days with the consent of the responsible officer. In 2023, there were a total of 17 customer complaints and financial consumer dispute cases, all of which were properly handled and closed.

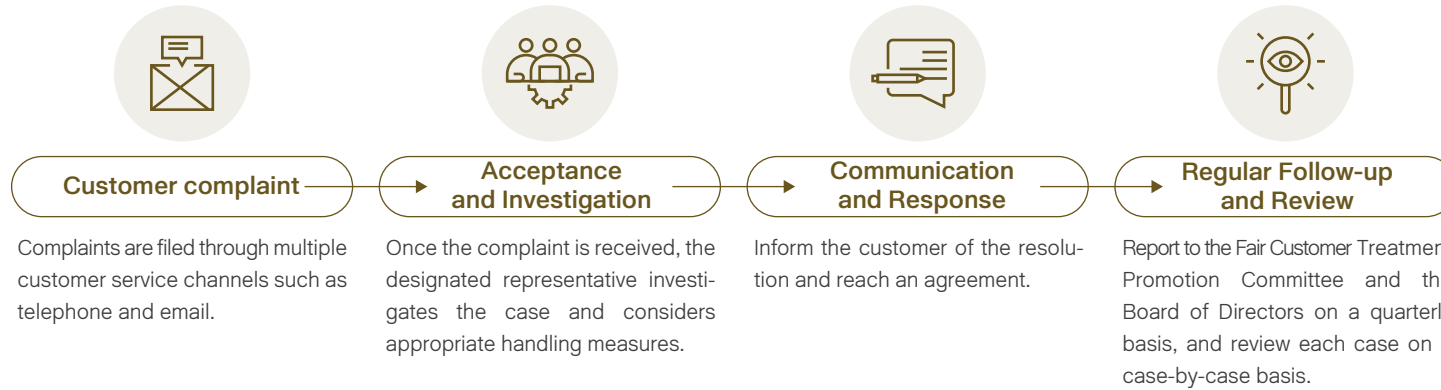
In order to further protect the rights and interests of customers, we regularly report customer complaints and financial consumer disputes to the Fair Customer Treatment Promotion Committee and the Board of Directors, exploring the root causes of customer complaints, reviewing whether customer complaints are handled properly, with the improvement based on the customer feedback, to continuously optimize the service process and improve the service quality.






Mega Securities Co., Ltd.

Guidelines of Customer Complaint and Financial Consumer Dispute Handling System

Process of Filing Customer Complaint



Contact Channels of Mega Securities for Customer Complaint

-  **Dedicated unit**
Customer Service Center
-  **Customer service hotline**
(02)2351-7017
-  **Contact Email**
<https://www.emega.com.tw/emegaTran/customerService.do>

Customer Complaint Handling Procedures and Status

The Statistic of Customer Complaints in Mega Securities in the Past Three Years

Item	2021	2022	2023
Customer complaints (including financial consumer disputes) (cases)	12	16	17
Customer complaints resolved (%) (number of cases settled properly / total case number)	100	100	100

Note: No detailed statistics

4.3.3 Customer satisfaction

Mega Securities is committed to providing customers with quality financial products and quality services. The real needs of customers are understood via the customer satisfaction surveys, to develop the products and services needed by the customers, enhance the loyalty and trust of customers, and create competitive advantages and corporate value. In 2023, 5,084 valid questionnaires were collected from brokerage customers, and the customer satisfaction reached 86.05%, achieving 86% of the 2023 target. The 2023 satisfaction survey focused on the customers' satisfaction with digital experience in Mega Securities, different from the theme of the 2022 survey. As Mega Securities is still in the process of optimizing the digital experience and accelerating transformation, the digital satisfaction survey dropped slightly by about 3.6% from the service satisfaction of the previous year.

Customer Satisfaction of Mega Securities Over the Years

Weighted average customer satisfaction				Satisfaction target
2020	2021	2022	2023	2023
97%	97%	89.65%	86.05%	86%

Note: Customer satisfaction = total number of questionnaires with satisfaction / total number of valid questionnaires x 100%

Mega Securities originally conducts the customer satisfaction surveys with the customers having wealth management transactions among all customers. Since 2022, the open-end questionnaires have been adopted, to inform the customers about the customer satisfaction surveys via website announcements and EDM, with the lucky draw event to motivate them join the survey. The questionnaires can be completed through the links on Mega Securities' official website, Mobile VIP, e-commerce website, Mega Winner, Mega Global Wealth Management, and line@. The QR Codes are also provided for over-the-counter customers to fill out the questionnaires with their mobile phones.

For the customer satisfaction survey results, Mega Securities reviews and track such in the meetings of the Fair Customer Treatment Promotion Committee. The feedback was processed and improved, and the relevant measures were adjusted in a timely manner. For example, if customers are not satisfied with the fund subscription deadline, Mega Securities will review the improvement measures in a timely manner.

