

Mega Securities Co., Ltd. - Institutional Investor Stewardship Code Compliance Statement

Mega Securities Co., Ltd. is mainly involved in securities brokerage, proprietary trading, and underwriting, and is an owner of assets. The Company declares that it complies with the "Institutional Investor Stewardship Code Compliance Statement", and the compliance is as follows:

Principle 1 Establish and disclose stewardship policies

The Company's business objectives are to maximize the interests of shareholders through brokerage, proprietary trading, and underwriting. To achieve this goal, the Company has formulated and disclosed its due diligence policy, which includes the Company's responsibilities as a shareholder and the performance and disclosure of due diligence actions. It is advisable that environmental, social, and governance (ESG) issues be included in the investment evaluation process to fulfill the due diligence responsibility and create long-term investment value.

Principle 2 Establish and disclose policies on managing conflicts of interest

To ensure that the Company has formulated the conflict of interest management policy based on the interests of customers or shareholders. The contents include the types and management methods of conflicts of interest.

Principle 3 Regularly monitor investee companies

The Company continues to monitor the nature, time, and level of communication and interaction between the Company and the investee to ensure that sufficient and effective information is obtained, and thereby establishing a solid foundation for the Company's investment decision-making. The Company's concerns about investees may include issues such as news, financial performance, industry overview, business strategy, and corporate governance. It is advisable that the Company monitor, analyze, and assess the investee's relevant risks and opportunities based on environmental, social, and governance (ESG) issues, and understand the investee's sustainable development strategy.

Principle 4 Maintain an appropriate dialogue and interaction with investee companies

The Company further understands and communicates the risks and strategies faced by the investee's management through appropriate communication and interaction with the investee. The Company may communicate with management of the investee through telephone conferences, face-to-face meetings, participation in investor conferences, or sending personnel to attend the regular shareholders' meeting or special shareholders' meeting. When an investee violates the principles of sustainable governance or is likely to damage the long-term value of the Company's shareholders, the Company will consult the investee's management from time to time and will not rule out the possibility of expressing joint appeals with other investors. If necessary, the Company may work with other institutional investors to protect the rights and interests of shareholders and improve the sustainable development of the investees. The Company may also participate in relevant initiatives for specific environmental, social, and governance (ESG) issues to jointly expand and exert the influence of institutional investors. The Company also values the influence of interaction and engagement on investees, and the planning and concerns for future engagement, to determine the subsequent investment decisions.



Principle 5 Establish clear voting policies and disclose voting results

In order to establish and disclose the clear voting policy and the status of voting, the Company has established and disclosed the voting policy. The Company actively puts forward proposals to the shareholders' meeting, and discloses the status of proposals, objections and abstentions of all investees each year, and explains the reasons for the opposing and abstaining of the major proposals. Please refer to the official website of Mega Securities for the disclosure of the voting results in each year: www.megasec.com.tw.

Principle 6 Periodically disclose to clients or beneficiaries about status of fulfilment of stewardship responsibilities

The Company regularly discloses the implementation of the due diligence on the website (or in the annual report/business report) including the statement of compliance, the due diligence policy, the due diligence report, the attendance of the shareholders' meeting of the investee and the voting, the engagement status and other material matters.



Signatory: Mega Securities Co., Ltd

September 28, 2013