

KGI Securities Co. Ltd. Stewardship Compliance Statement

KGI Securities Co. Ltd. (the “Company”) engages primarily in securities brokerage, proprietary trading, and underwriting services, and is classified as an asset owner. The Company declares its adherence to the “Stewardship Principles for Institutional Investors” and outlines its compliance with each of the seven principles as follows:

Principle 1: Establish and Disclose Stewardship Policies

In accordance with securities and futures regulations and the Company’s internal control systems, KGI Securities has established the following stewardship policies:

1. The Company’s operational goal is to maximize shareholder interests through brokerage, proprietary trading, and underwriting activities. To achieve this goal, the Company has formulated internal control systems, business authorization protocols, risk management, and investment management regulations based on relevant securities and futures laws. Annual operational goals and key business policies are disclosed in the annual report to fulfill institutional investor responsibilities.
2. According to the “Regulations Governing Securities Firms,” when engaging in proprietary trading or selling securities acquired through underwriting, the Company must establish trading policies and relevant procedures. Unless otherwise specified by the competent authorities, processes such as analysis, decision-making, execution, modification, and review must be incorporated into the internal control systems.
3. In line with the “Corporate Governance Best Practice Principles for Securities Firms,” the Company may consider the corporate governance status of the issuers when making investment decisions.
4. According to the Company’s “Internal Control System,” business personnel must regularly analyze and research the economic, financial, and industrial conditions of investment targets, in addition to following the Company’s trading policies, to support trading decisions.
5. Through stewardship actions, the Company integrates Environmental, Social, and Governance (ESG) factors into the investment evaluation process to enhance the long-term value of investment assets and promote the long-term interests of the Company, its clients, shareholders, and other stakeholders.
6. The Company determines the method, scope, and frequency of stewardship actions based on investment objectives, benefits, and the impact on sustainable corporate development. Actions may include attending investor conferences, shareholder meetings, direct visits to management, or teleconferences to continuously monitor the business and financial status of investee companies and incorporate such information into investment decisions.
7. When evaluating ESG-related information of investee companies, the Company refers to relevant indicators and standards based on asset types to assess whether the investee fulfills environmental protection, corporate integrity, and social responsibility. The goal is to promote sustainable corporate practices through capital allocation and reduce sustainability risks directly or indirectly via stewardship actions.

8. Currently, the Company's internal investment unit conducts proposal evaluations and exercises voting rights based on the voting policy. If any stewardship activities are delegated to external service providers (e.g., proxy voting or voting recommendations), the Company ensures compliance with ESG voting principles through communication, agreements, and supervision.
9. The Company discloses its stewardship practices on its website (<https://www.kgi.com.tw/zh-tw/stewardship>) and updates the information at least annually.

Principle 2: Establish and Disclose Conflict of Interest Management Policies

1. The Company has established an Integrity Management Committee under the Board of Directors and formulated policies such as the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," and "Guidelines for Ethical Conduct." These are used to identify, monitor, and manage risks of unethical behavior arising from conflicts of interest.
2. The purpose of the Company's conflict of interest management policy is to ensure that business operations are conducted in the best interests of clients or shareholders, avoiding any conflicts of interest.
3. Types of conflicts of interest include, but are not limited to, those between the Company and clients, the Company and employees, employees and clients, the Company and investee companies, and the Company and affiliated entities.
4. To ensure business operations are conducted in the best interests of clients or shareholders, the Company has established firewall mechanisms across business units, created stakeholder lists, defined prohibited behaviors for relevant personnel, and implemented education and training. Employees must comply with internal regulations and control systems, using layered responsibilities, information control, and supervisory mechanisms to prevent conflicts of interest. Key measures include:

A. Establishing a firewall mechanism

The Company's "Employee Code of Conduct" stipulates that employees must adhere to corporate governance principles when handling matters between the Company and its parent or affiliated companies. All transactions and business dealings must strictly observe inter-company firewall boundaries to prevent conflicts of interest.

Additionally, Article 15 of the Company's "Corporate Governance Best Practice Principles" requires clear delineation of responsibilities and management objectives regarding personnel, assets, and finances between the Company and its affiliates. It also mandates effective risk assessment and the establishment of appropriate firewall mechanisms. All dealings with the financial holding parent company or affiliated entities must follow governance principles and maintain strict separation to avoid conflicts of interest.

B. Conducting Education and Awareness Programs

The Company's "Employee Code of Conduct" and "Operational Procedures and Guidelines for Ethical Business Practices" clearly outline the standards employees must follow in business execution. In cases of serious violations of ethical conduct, employees may be dismissed or terminated in accordance with relevant laws or internal HR policies.

To emphasize the importance of ethical business practices, the Company holds at least one internal education and training session annually. Furthermore, under the “Guidelines for Handling Reports of Illegal, Unethical, or Dishonest Conduct”, the Company is required to regularly promote and educate employees on the whistleblowing system.

C. Hierarchical Responsibility and Division of Authority

According to the “Employee Code of Conduct”, employees must not engage in activities that conflict with or harm the Company’s interests or reputation. If a conflict of interest arises during the performance of duties, the employee must proactively inform their supervisor and apply for recusal.

In addition, the “Guidelines for Handling Reports of Illegal, Unethical, or Dishonest Conduct” designate the Compliance Department as the unit responsible for handling such reports. Upon acceptance, the case must be processed and investigated according to relevant procedures, and the Audit Department may be consulted for assistance if necessary.

D. Information Control

To ensure the protection of information within the Company’s network and IT infrastructure, and to safeguard communications between internal and external entities, the Company has established the “Communication Security Management Guidelines” in accordance with the “Securities Firm Information Security Inspection Mechanism, the “Self-Regulatory Guidelines for Emerging Technology Information Security” and the “Cybersecurity Protection” issued by the Taiwan Securities Association and the Chinese National Futures Association, and the Company’s “Information Security Policy. These guidelines include specific regulations for firewall security management.

E. Implementation of Supervision and Control

To strengthen internal management and prevent specific insiders from exploiting privileged information for personal gain, the Company has established the “Pre-Trade Declaration Guidelines” for specific insiders. Specific insiders intending to trade listed products must submit a pre-trade application, which must be approved by their department head or authorized supervisor. The approved trade must be executed within five business days.

The “Internal Personnel and Related Party Trading Control Procedures” prohibit insiders and their related parties from engaging in securities or futures trading that involves unlawful use of non-public information or conflicts of interest. Trading data for branch managers, regional supervisors, department heads and above, and their related parties are submitted via the information system to their respective supervisors for approval. Directors’ trading data are submitted to the Board Secretariat for review.

The “Operational Procedures and Guidelines for Ethical Business Practices” require directors and senior management to sign a declaration of compliance with the Company’s ethical business policy, affirming adherence to rules on conflict of interest prevention, prohibition of improper benefits, anti-bribery, protection of intellectual property rights, and fair trade practices.

Additionally, under the “Management Guidelines for Concurrent Positions Held by Responsible Persons and Sales Personnel”, before assigning employees to concurrent roles in other companies, the responsible unit must complete a “Concurrent Position Declaration/Change

Form” and obtain co-signatures from relevant departments. Approval must be granted by the General Manager or directly by the Chairman, depending on reporting lines, and registration of qualifications must be completed to avoid potential conflicts of interest.

5. The Company discloses significant conflict of interest incidents on its website (<https://www.kgi.com.tw/zh-tw/stewardship>) and periodically reports the details and resolutions to shareholders.

Principle 3: Ongoing Monitoring of Investee Companies

1. The Company continuously monitors investee companies to assess how relevant information may impact their long-term value, as well as the interests of clients or shareholders. This monitoring also helps determine the appropriate timing and method for further dialogue or engagement with the investee companies, serving as a reference for future investment decisions.
2. The Company should consider its investment objectives, expected benefits, and the impact on corporate sustainability when determining the types, depth, and frequency of information to be monitored. Such information may include industry overview, opportunities and risks, shareholder structure, business strategies, operational performance, financial condition, financial results, cash flow, stock price, environmental impact, social issues, and corporate governance practices.

Principle 4: Appropriate Dialogue and Interaction with Investee Companies

1. The purpose of the Company’s dialogue and interaction with investee companies is to gain deeper insights into significant issues of concern and to express opinions to the management of the investee companies, thereby enhancing corporate governance.
2. Through appropriate dialogue and interaction, the Company aims to better understand the risks and sustainability strategies faced by investee companies. This helps expand and strengthen the Company’s influence and informs subsequent investment strategies.
3. The Company may communicate with the management of investee companies through various means, including conference calls, in-person meetings, participation in investor conferences, or attending annual general meetings (AGMs) and extraordinary general meetings (EGMs).
4. If an investee company is found to have significantly violated corporate governance principles or poses a risk to the long-term value of the Company’s shareholders on specific issues, the Company may, as needed, inquire about the handling of such matters and continue to monitor the situation. Joint engagement with other investors to express concerns is also not ruled out.

Principle 5: Establish and Disclose Clear Voting Policies and Voting Records

KGI Securities has established a clear voting policy in accordance with securities and futures regulations. The Company actively participates in voting on shareholder meeting proposals and does not automatically support proposals submitted by management. The voting policy includes:

1. Actively attending shareholder meetings of investee companies and expressing opinions on proposals.
2. Before attending shareholder meetings, the Company carefully evaluates the proposals and prepares written analysis and explanations prior to exercising voting rights. Voting records from

shareholder meetings are properly retained, and written records or voting statistics are disclosed in the voting records or stewardship reports and submitted to the Board of Directors.

3. To respect the professional management of investee companies and promote their effective development, the Company generally supports proposals submitted by management. However, proposals that hinder sustainable development or negatively impact ESG principles are not supported. If necessary, the Company may engage in pre-meeting discussions with management.
4. Voting rights may be exercised in writing or electronically. For non-electronic voting, the proxy form must clearly indicate voting instructions for each proposal. Proxy forms and electronic voting records must be retained for reference.
5. If the investee company does not offer electronic voting and the Company holds fewer than 300,000 shares, it may choose not to send representatives to the shareholder meeting, and is not subject to the restrictions of Article 20, Paragraph 2 of the "Regulations Governing Securities Firms." For meetings attended, internal personnel are assigned to execute the voting process, except in cases of electronic voting.
6. The Company discloses annual aggregated voting records on its website (<https://www.kgi.com.tw/zh-tw/stewardship>) and updates them at least once a year.

Principle 6: Periodic Disclosure of Stewardship Activities

The Company regularly publishes stewardship reports on its website (<https://www.kgi.com.tw/zh-tw/stewardship>) to disclose the implementation of stewardship practices. The report should include a statement of compliance and explanations for any principles not followed, the internal resources dedicated to stewardship efforts, interactions with investee companies, participation and voting at investee companies' shareholder meetings, contact channels for the Company, and other significant matters.

Principle 7: Service Providers Should Offer Supportive Stewardship Services for Institutional Investors

The Company may engage third-party service providers to carry out certain stewardship activities (such as providing voting recommendations or proxy voting). However, it must ensure that these providers act in accordance with the Company's expectations by establishing communication, agreements, and oversight mechanisms, and by requiring them to adhere to voting principles related to ESG issues.