

Organisation : Financial Supervisory Commission

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Summary : Permitting SITES to entrust members of their own groups to exercise voting rights or entrust professional institutions to do proxy voting.

1. Where a SITE entrusts members of its own group to exercise the voting rights for the foreign listed stocks, which are possessed by their managed funds, or a SITE entrusts professional institutions to do proxy voting and provide voting analysis service, such SITE may provide shareholding information of the funds managed to the aforementioned entrusted institutions or instruct the fund custody institution to do so. The provision that other related information shall be kept confidential provided in Paragraph 2, Article 7 of Securities Investment Trust and Consulting Act may be exempted.
2. When SITE entrusts the member of their own group to exercise voting rights under preceding point, the SITE shall evaluate that the voting policy drafted by the member of their own group in the best interests of beneficiaries and gets approval from the Board of Directors. The written record of evaluation and analysis of exercising the voting rights, decision-making process, and implementation result may be based on the report proposed by the member of their own group. The term “member of its own group” is defined as the provision provided in Paragraph 3, Article 7 of Regulations Governing Securities Investment Trust Funds.
3. Before entrusting professional institutions to do proxy voting and provide voting analysis service under Point 1, the SITE shall establish standards for selecting professional institutions. The related monitor and control measures shall be specified in its internal control system and shall be approved by the Board of Directors.
4. Under Point 1, the SITE, who provides shareholding information of its managed funds, shall ensure that the entrusted institutions will not transmit the provided data to non-related institutions, and the scope for the use of the data and the information confidentiality clauses shall be stipulated in written contracts.
5. The SITE shall disclose the principles and methods for the exercise of voting right in the shareholders’ meetings of the foreign listed companies, under “fund investment” of fund prospectus in accordance with Item 5, Subparagraph 8, Paragraph 1, Article 13 of Regulations Governing Information to be Published in

Prospectuses by Securities Investment Trust Enterprises Offering Securities
Investment Trust Funds.

6. This Order shall become effective immediately.