

Content

Title : Regulations Governing Securities Investment Trust Fund Beneficiaries Meetings **Ch**

Date : 2020.11.25

Legislative : 1. Full text of 20 articles adopted and issued 30 October 2004 per Order No. Financial-Supervisory-Securities-IV-0930005167 of the Financial Supervisory Commission, Executive Yuan; for implementation from the date of issuance
2. Articles 2, 7 to 9, 17, and 18 amended and Article 9-1 added per 25 November 2020 Order No. Financial-Supervisory-Securities-SITC-1090365479 of the Financial Supervisory Commission

Content : Article 1

These Regulations are adopted pursuant to Article 42, paragraph 1 of the Securities Investment Trust and Consulting Act ("the SITC Act").

Article 2

Before a securities investment trust enterprise (SITE), beneficiary, or fund custodian institution convenes a beneficiaries meeting, it shall submit the reason for convening a beneficiaries meeting in a report to the Financial Supervisory Commission (FSC).

Article 3

When any event occurs for which a beneficiaries meeting resolution is required by law, regulation, or the securities investment trust contract, the SITE shall convene a beneficiaries meeting. When the SITE is unable or fails to convene the beneficiaries meeting, the fund custodian institution shall convene it. When the fund custodian institution is unable or fails to convene it, it shall be convened as provided in the securities investment trust contract or by the beneficiaries themselves. When all are unable or fail to convene the beneficiaries meeting, a person appointed by the competent authority shall convene it.

Beneficiaries may also convene a beneficiaries meeting themselves after applying for and receiving FSC approval. The application shall provide a written description of the proposals to be put forward and the reason for the meeting.

"Beneficiaries" in the two preceding paragraphs means beneficiaries that have continuously held, for one year or more, beneficial interest certificates representing beneficial interest units that account for three percent or more of the total beneficial interest units of the fund issued and outstanding at the time of the proposal.

For a trust enterprise that concurrently conducts securities investment trust business, keeps the securities investment trust fund assets in its own custody, and has established a trust supervisor, the obligations of a fund custodian institution of paragraph 1 herein shall be performed by the trust supervisor.

Article 4

Within two days from the date on which a SITE is unable or fails to convene a beneficiaries meeting, the fund custodian institution or trust supervisor shall submit the reason for convening a beneficiaries meeting in a report to the FSC pursuant to Article 2 herein. Notwithstanding the foregoing, where a beneficiaries meeting is convened pursuant to Article 41 of the SITC Act, the report shall be filed immediately and the meeting convened immediately after the FSC approves it.

Article 5

When a beneficiaries meeting is convened by a party other than the SITE,

the SITE shall provide documents and data required to convene the beneficiaries meeting as requested by the fund custodian institution, trust supervisor, beneficiaries, or the person designated by the FSC.

Article 6

Except where approved by the FSC, 20 days before convening a beneficiaries meeting, the convener shall send by registered mail a meeting notice recording the date, time, location, reason for the meeting, and proposals to be put forward, to the FSC, the SITE, all beneficiaries, and the trust custodian institution or trust supervisor, with a copy forwarded to the Securities Investment Trust and Consulting Association of R.O.C. (SITCA).

Article 7

A beneficiaries meeting may be convened in writing or by attendance in person.

The convener of a beneficiaries meeting may list electronic transmission as one of the means for exercising voting rights. The methods for exercising voting rights shall be specified in the beneficiaries meeting notice.

When voting rights at a beneficiaries meeting are exercised by means of electronic transmission, matters related to the electronic voting shall be outsourced for handling by a securities central depository enterprise or other institution approved by the FSC.

Article 8

When a beneficiaries meeting is convened in writing, a beneficiary may exercise voting rights in writing or by electronic transmission in accordance with the methods specified in the beneficiaries meeting notice. When a beneficiary exercises voting rights in writing, the beneficiary shall indicate their attendance and resolutions in the written documents (including ballots) printed and distributed by the beneficiaries meeting convener, and after affixing a signature or seal matching the original retained specimen thereof, shall deliver the aforesaid documents to the designated location by mail or by hand.

When a beneficiary exercises voting rights in writing or by electronic transmission, the beneficiary's declaration of intention shall be delivered to the designated location by two days prior to the scheduled date of the beneficiaries meeting. If two or more declarations of intention are delivered, the one received first shall prevail, unless an explicit statement to rescind the previous declaration of intention is made in the declaration received later.

Article 9

When a beneficiaries meeting is to be attended by beneficiaries in person, a beneficiary may exercise voting rights by attending in person or by electronic transmission, in accordance with the methods specified in the beneficiaries meeting notice. A beneficiary may also authorize a proxy agent to attend the beneficiaries meeting by issuing a proxy card printed and distributed by the beneficiary meeting convener. The proxy card shall bear a signature or seal of the beneficiary that matches the original retained specimen, as well as a signature or seal of the proxy agent, shall record the scope of proxy, and shall be accompanied by a photocopy of the proxy agent's national identification card.

If a beneficiary who has exercised voting rights by means of electronic transmission subsequently wishes to exercise the voting rights by attending the beneficiaries meeting in person, the beneficiary shall, two days prior to the scheduled date of the beneficiaries meeting, use electronic transmission to rescind the beneficiary's previous declaration of intention. In the absence of a timely rescission of the previous declaration of intention, the voting rights exercised by means of electronic transmission shall prevail.

Each person who authorizes a proxy agent pursuant to paragraph 1 to attend a beneficiaries meeting is limited to issuing a single proxy card to a single proxy agent. Five days prior to the convening of the beneficiaries meeting, the proxy card shall be delivered to a location designated by the convener. When two or more proxy cards are delivered, the one received earlier shall prevail. Notwithstanding the foregoing, this provision shall

not apply if a declaration is made to void the earlier proxy card. After the delivery of the power of attorney of a proxy to the designated location, if the beneficial owner who issued the proxy subsequently wishes to exercise the voting rights by attending the beneficiaries meeting in person or by means of electronic transmission, the beneficiary shall give a proxy rescission notice to the convener of the beneficiaries meeting in writing by two days prior to the scheduled date of the beneficiaries meeting. In the absence of a timely rescission of the proxy, the voting rights exercised by the authorized proxy at the meeting shall prevail. If a beneficiary has exercised voting rights via electronic transmission, and has also authorized a proxy to attend the beneficiaries meeting on the beneficiary's behalf, then the voting rights exercised by the attending authorized proxy for the beneficiary shall prevail.

Article 9-1

A beneficiary who exercises voting rights by means of electronic transmission shall make a declaration of intention with respect to each motion on the electronic form prepared by the convener of the beneficial owners meeting, and the beneficiary's declarations of intention shall be delivered to the designated location by two days before the scheduled date of the beneficiaries meeting. If no declaration of intention is made, the beneficiary shall be deemed to have waived the voting rights with respect to that motion.

A beneficiary who exercises voting rights by means of electronic transmission as set forth in the preceding paragraph shall be deemed to have waived the beneficiary's voting rights in respect of any extemporary motion(s) and/or amendment(s) to the contents of the original proposal(s) at that beneficiaries meeting.

Article 10

A beneficiaries meeting may not be held unless attended by beneficiaries representing one half or more of the total number of issued beneficial interest units.

Article 11

The chairperson of a beneficiaries meeting shall be appointed by the convener; where the meeting is convened by the beneficiaries themselves, they shall elect a chairperson from among themselves.

Article 12

Adoption of a resolution at a beneficiaries meeting, unless otherwise specified by the securities investment trust contract, shall require the approval of one half or more of the total number of votes of beneficiaries present at a meeting attended by beneficiaries representing one half or more of the total number of issued beneficial interest units.

Article 13

The matters listed below may not be raised as an extraordinary motion at a beneficiaries meeting:

1. A switch to a different SITE or fund custodian institution.
2. Termination of the securities investment trust contract.
3. Change of the securities investment trust fund type.

Article 14

The FSC may by order amend regulations regarding the quorum requirements, number of votes required to adopt a resolution, or the method of deciding resolutions at a beneficiaries meeting when it deems necessary in order to protect the public interest or the rights or interests of beneficiaries.

Article 15

Each beneficial interest unit held by a beneficiary carries one voting right.

Article 16

A beneficiaries meeting shall decide on resolutions by the casting of ballots.

Article 17

Where a beneficiaries meeting is convened in writing, when a beneficiary exercises voting rights in writing, the written documents (including ballots) shall be delivered to the designated location. Late documents (including ballots) shall not be included in the calculation of the number of beneficial interest units in attendance.

A beneficiary that mails back a written document (including a ballot) exhibiting any of the circumstances listed below may not be deemed to have attended the beneficiaries meeting in accordance with requirements:

1. The beneficiary failed to affix a signature or seal.
2. The signature or seal of the beneficiary does not correspond to the original retained specimen, or cannot be identified as corresponding to the original retained specimen.
3. Written documents (including ballots) that were not printed and distributed by the beneficiary meeting convener have been used.

The standard for determining the validity of beneficiaries meeting ballots shall be drafted by the SITCA and submitted to the FSC for approval.

Article 18

Upon receiving written documents (including ballots), the convener of the beneficiaries meeting or the convener's appointed registrar and transfer agent for beneficial interest certificates shall affix document receipt stamps recording the date thereupon, and shall compile a register of beneficiaries, record the account numbers, full names, and number of beneficial interest units. After authenticating and opening the ballots, it shall provide them to the on-site monitors for review, and to the recording secretary for tallying.

To authenticate and open beneficiaries meeting ballots, the recording secretary shall record in the register of beneficiaries the written or electronic declarations of intention, and the number of voting rights represented thereby. After all the ballots are recorded, the recording secretary shall announce the results of tallying, and report them to the monitor for recordation.

The procedures for conducting a beneficiaries meeting vote in writing shall be drafted by the SITCA and submitted to the FSC for approval.

Article 19

Matters put to resolution at a beneficiaries meeting shall be written up in meeting minutes, and the chairperson shall affix his or her signature or seal thereupon. Within 30 days after the meeting, the convener shall deliver the meeting minutes to the FSC, the SITE, beneficiaries, and the fund custodian institution or trust supervisor, with a copy forwarded to the SITCA.

The meeting minutes of the preceding paragraph shall record the year, month, day, and venue of the meeting, as well as the chairperson's full name, and method of deciding resolutions. The minutes shall also record the meeting's main points and the results thereof, and shall be retained in perpetuity as long the security investment trust fund continues to exist. The meeting minutes shall be retained at the SITE together with the sign-in book for beneficiaries in attendance, register of beneficiaries that mailed back written documents (including ballots), and the proxy cards of proxy agents in attendance. However, where a beneficiaries meeting is convened in writing, a sign-in book for beneficiaries in attendance need not be included.

Article 20

These Regulations shall be implemented from the date of issuance