

# **Capital Securities Corporation**

## **ESG Committee Organizational Charter**

Devised: January 21, 2021

- Article 1     In order to ensure the implementation of our company’s ESG (environmental, social and corporate governance) systems or management policies, we hereby formulate an organizational charter of the ESG Committee (hereinafter referred to as the Committee) for compliance.
- Article 2     The president shall act as the convener and chairperson of the Committee.  
The Committee members consist of department managers from proprietary trading department, corporate finance department, fixed income department, derivatives department, finance department, risk management department, administration department and corporate planning department and personnel appointed by the president.  
In order to drive various tasks, the Committee may set up mission-based teams.  
The corporate planning department serves as the agenda working group of the Committee and assists the Committee in exercising its powers and functions.
- Article 3     The Committee shall hold a meeting at least once a year, and may hold provisional meetings when necessary.  
If the convener is unable to convene a meeting for some reason, another member appointed by the convener shall act on his or her behalf. If the convener does not make such an appointment, a member of the Committee shall be elected by other members of the Committee to serve as convener.  
Any member who cannot attend in person may appoint another member to attend as his or her proxy. A member appointed as proxy may accept a proxy from one person only, and shall provide a letter of proxy.
- Article 4     The Committee is responsible for the implementation and supervision of ESG, and shall report to the board of directors once a year. Its major duties are as follows:  
(a) Incorporation of ESG into management strategies;  
(b) Planning of organizational structure, staffing and functions, and formation of mission-based teams to execute ESG-related matters as needed;  
(c) Incorporation of ESG topics into consideration for investment analysis and decision;  
(d) Collection of global ESG development/trend and irregularly-scheduled employee

advocacy;

(e) Review and evaluation on ESG-related execution to ensure effective execution;

(f) Coordination of matters related to corporate sustainability;

(g) Advocacy on corporate social responsibility and stewardship.

Article 5 The resolution made by the Committee requires the attendance of over half of the Committee members and the consent of over half of the attendees.

Committee members are not allowed to participate and join discussion or voting when they have conflicts of interest with the proposal proposed by the Committee.

When a meeting is convened by the Committee, our company's managers and personnel of relevant departments may be requested to attend for reporting and inquiry.

Article 6 The matters discussed and approved by the Committee shall be recorded. Committee members, teams or associated department personnel shall be authorized to execute subsequent tasks.

Article 7 This charter shall take effect after having been submitted to and adopted by the board of directors. Subsequent amendments thereto shall be effected in the same manner.