Taiwan Life Insurance Co., Ltd.

Ethical Corporate Management Best Practice Principles

Document Formulation/Amendment Record

Version of Formulation/ Amendment	Date of Formulation/ Amendment	Description of Document Formulation/Amendment	Author	Remark
V1.0	2012/02/23	Formulation of the Principles	Chairman Office Lei Cheng	2012/02/23 Approved by the Board of Directors on behalf of the Shareholders' Meeting
V2.0	2013/11/28	Amended in line with the public issuance	Chairman Office Lei Cheng	2013/11/28 1st amendment by the Board of Directors on behalf of the Shareholders' Meeting
V3.0	2016/04/29	Amendment of the Principles	Chairman Office Ming-Chuan Tseng	2016/04/29 2nd amendment by the Board of Directors on behalf of the Shareholders' Meeting
V4.0	2017/10/31	Amended in line with the amendment to the CTBC Financial Holding Co., Ltd. Ethical Corporate Management Best Practice Principles	Chairman Office Lei Cheng	2017/10/31 3rd amendment by the Board of Directors on behalf of the Shareholders' Meeting
V5.0	2017/12/26	Legal Compliance Department coordinated the proposal to amend regulations and systems	Legal Compliance Department	2017/12/26
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Taiwan Life Insurance Co., Ltd. Ethical Corporate Management Best Practice Principles

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Article 1 Purpose and Applications

These Ethical Corporate Management Best Practice Principles (hereinafter, the "Principles") are hereby formulated by Taiwan Life Insurance Co., Ltd. (hereinafter, the "Company") to strengthen its corporate culture of ethical management and sustainable business development. The Principles are established based on the business principles of probity, transparency, and responsibility as well as the "CTBC Financial Holding Co., Ltd. Ethical Corporate Management Best Practice Principles" and other relevant regulations in order to serve as the best practice policy for ethical corporate management.

Subsidiaries, foundations to which the Company's cumulative direct or indirect contribution of funds exceeds 50% of its endowment, and other institutions and legal entities controlled by the Company shall establish their own ethical corporate management best practice principles in line with these Principles. These Principles shall be applied by the aforementioned legal entities if they do not establish their own such principles.

Article 2 Prohibition of Unethical Conduct

Directors, managers, employees, mandataries, and others with controlling power over the Company (hereinafter, the "controllers") shall conduct business based on the principles of fairness, probity, and transparency and shall not offer, promise, demand, or receive any improper benefits directly or indirectly or engage in unethical behavior, including that which violates ethics, laws, or duties, in order to obtain or maintain such benefits (hereinafter, "unethical conduct").

The objects of the aforementioned behavior include public officials, election candidates, political parties and party officers, and public and private enterprises and institutions, including their directors, supervisors, managers, employees, mandataries, controllers, and other stakeholders.

Article 3 Benefits

The term "benefits," as used in these Principles, refers to any item of value, including any form or title of money, endowment, commission, position, service, preferential treatment, rebate, or other form of goods (e.g., gift vouchers and equity/debt securities). However, benefits that are received or given occasionally as part of a normal social custom and that do not affect the rights or obligations of counterparties are excluded.

Article 4 Legal Compliance

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, related TWSE/TPEx listing regulations, and other business behavior-related laws and regulations in order to facilitate the implementation of ethical corporate management.

Article 5 Commitment and Implementations

The Company shall request its directors and senior management to issue a statement of compliance with its ethical management policy and require in the terms of employment that employees comply with the Policy. The Company is advised to designate a unit responsible for establishing programs for implementation, prevention, and supervision duties in accordance with these Principles. In the process of establishing unethical conduct prevention-related programs, the unit is advised to communicate with employees, labor committees, important business transaction parties, and other stakeholders. The prevention programs shall comply with the applicable laws and regulations of the jurisdictions in which the Company and its subsidiaries operate. The Company's ethical corporate management best practice policy shall be explicitly stated in its internal policies, in its external documents, and on its website, and the status of its implementation shall be regularly reported to the Board of Directors by the designated unit.

The Company's Board of Directors, senior management, employees, mandataries, and controllers shall be committed to implementing these Principles through both internal operations and external business activities to ensure their proactive implementation, and shall follow relevant laws and regulations in addition to the prevention programs.

The Company shall compile and properly retain information on its ethical management policy, statement, commitment, and implementation, as mentioned in the first and second paragraphs of this Article.

Article 6 Programs, Scope, and Measures of Prevention

The aforementioned development of prevention programs shall include analysis of business activities that have a relatively high risk of unethical conduct as well as of operational procedures, ethical codes, and training. The development of the prevention programs shall be in compliance with paragraph 2 of Article 1 and within the scope of the governing laws and regulations of the location of operation.

The prevention programs shall be developed with reference to prevailing domestic and foreign standards or guidelines and include preventive measures for the following acts by the Company and its directors, managers, employees, mandataries, and controllers:

1. Offering or accepting bribes:

   One shall not offer, promise, demand, or receive any form of improper benefit to or from any customer, agent, contractor, supplier, public official, or other stakeholder during the course of business.

2. Offering illegal political donations:

   All political donations made directly or indirectly to political parties, organizations, or individuals participating in political activities shall comply with the Political Donations Act and internal policies and procedures. Such donations shall not be for business profit or advantage.

3. Making improper charitable donations or sponsorships:

   Donations and sponsorships shall be in compliance with laws and internal policies and procedures and shall not be intended as a bribe.

4. Offering or receiving unreasonable gifts, hospitality, or other improper benefits:

   Directly or indirectly offering or receiving unreasonable gifts, hospitality, or other improper benefits to build a business relationship or affect a business transaction is prohibited.

5. Infringing on business secrets, trademark rights, patent rights, copyrights, or other intellectual property rights:

   The Company shall comply with intellectual property rights-related laws and regulations, the Company's internal operating procedures, and contract requirements. Without the consent of the intellectual property rights owner, the Company shall not use, leak, dispose, damage, or otherwise infringe on any intellectual property rights.

6. Engaging in acts of unfair competition:
   The Company shall engage in business activities in accordance with relevant regulations and shall not engage in price fixing or bid rigging, set output restrictions or quotas, or share or segment markets through the allocation of customers, suppliers, territories, or lines of business.
7. Damaging the interests of consumers or other stakeholders during the research and development, procurement, manufacture, supply, or sale of products or services:
   In the course of the research and development, procurement, manufacture, supply, or sale of products or services, the Company shall follow relevant laws and regulations as well as international standards to ensure the transparency of information about, and the safety of, its products and services. It shall also establish and disclose a policy for the protection of the rights and interests of consumers and other stakeholders, and implement the policy in its operations in order to prevent its products and services from directly or indirectly damaging the interests, health, or safety of consumers or other stakeholders. If there is sufficient evidence that a product or service is harmful to the health or safety of consumers or other stakeholders, the product shall be recalled or the service suspended.

Article 7 Ethical Business Activities

The Company, based on ethical corporate management principles, shall conduct business in a fair and transparent manner.

In order to avoid dealing with parties involved in unethical conduct, before any commercial transaction, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether they are involved in any unethical conduct.

It is advisable that contracts with agents, suppliers, customers, and other business parties include terms requiring compliance with ethical corporate management policy and allowing the Company to terminate or rescind the contract at any time if the counterparty is found to be involved in unethical conduct.

Article 8 Organization and Responsibilities

The Company's directors, managers, employees, mandataries, and controllers shall attend to their roles as administrators with due care and urge the Company to prevent unethical conduct and review the effectiveness of these efforts and make continuous improvements to ensure the thorough implementation of its ethical corporate management best practice policy.

To implement ethical corporate management in the Company, every unit shall, for matters under its management, avail itself of adequate resources and staff itself with sufficient competent personnel to cooperate in establishing ethical corporate management policy and prevention programs as well as supervising and implementing the following, regarding the progress of which a designated unit shall report to the Board of Directors at least once per year:

1. Assist in incorporating ethical and moral values into the Company's business strategies and work within the legal system to establish related prevention measures to ensure ethical corporate management.
2. Adopt unethical conduct prevention programs and incorporate related standards and guidelines into the programs' operating procedures.

3. Plan internal organizations, structures, and duties and establish a mutual supervision and balancing mechanism for business activities that have a relatively high risk of unethical conduct.
4. Promote and coordinate ethical policy training.
5. Establish a whistleblowing system and ensure its operating effectiveness.
6. Assist the Board of Directors and management in auditing and evaluating the effectiveness of prevention measures taken to implement ethical corporate management and regularly assessing and reporting on the compliance of operating procedures with ethical management.

Article 9 Conflicts of Interest

The Company shall adopt policies for preventing conflicts of interest in order to identify, monitor, and manage risks of unethical conduct posed by conflicts of interest and provide an appropriate channel for directors, managers, and other stakeholders participating in or attending Board meetings to report their potential conflicts of interest.

Board directors, managers, and other stakeholders participating in or attending a Board meeting shall remain highly disciplined. If a proposal involves an interest of theirs or a legal entity they represent, they shall explain to the Board meeting the key details of the interest. If the interest is harmful to the Company's interests, they shall recuse themselves from the discussion and voting on the proposal and shall avoid such discussion and voting, and they shall not exercise their voting rights as a proxy on behalf of other directors. The members shall practice self-discipline and may not support one another in improper dealings.

Directors, managers, employees, mandataries, and controllers shall not take advantage of their position at or influence over the Company to improperly benefit themselves or their spouses, parents, or children or other parties.

Article 10 Accounting and Internal Control

For business activities that have a relatively high risk of unethical conduct, the Company shall establish effective accounting and internal control systems, shall not maintain external or secret accounts, and shall conduct regular reviews to ensure the continued effectiveness of the system's design and implementation.

The Company's internal audit unit shall regularly examine the Company's compliance with the systems mentioned in the preceding paragraph and submit audit reports to the Board of Directors. The unit may also engage a certified public accountant to perform the audits and, if necessary, engage professionals to assist them.

Article 11 Operating Procedures and Guidelines

In accordance with the provisions of Article 5 hereof, the Company shall establish operating procedures and guidelines to specify norms for directors, managers, employees, mandataries, and controllers to observe when conducting business; the contents shall include the following:

1. Standards for identifying the offering or acceptance of inappropriate interests.
2. Handling procedures for legal political contributions.
3. Handling procedures and amount limits for legitimate charitable donations and sponsorships.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.

5. Rules for the maintaining of confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and handling procedures for suppliers, customers, and business transaction counterparties involved in unethical conduct.
7. Handling procedures for violating the Ethical Corporate Management Best Practice Principles.
8. Disciplinary action for violators.

Article 12 Training and Assessment

The Company's Chairman, President, or senior management shall regularly convey the importance of business ethics to its Board of Directors, employees, and mandataries.

The Company shall regularly conduct training and advocacy of these Principles for its directors, managers, employees, mandataries, and controllers, and invite the Company's commercial transaction counterparties to participate in these activities in order to help them gain a complete understanding of the Company's ethical corporate management-related commitment, policy, and prevention scheme as well as the results of unethical conduct.

The Company shall combine its ethical corporate management, employee performance evaluation, and human resources policies to establish a clear and effective reward and discipline system.

Article 13 Whistleblowing System

The Company shall establish and effectively implement a whistleblowing system that shall at least include the following:

1. The establishment and announcement of an independent report mailbox and hotline for internal and external use.

2. The designation of personnel or a unit to be responsible for reporting; matters involving directors or senior management shall be submitted to independent directors, and the classification categories and standard investigation procedures for such matters shall be determined.
3. The follow-up measures to be adopted depending on the severity of the circumstances after the completion of investigations, with cases to be reported to the competent authority or referred to the judicial authority as necessary.
4. The documentation of accepted cases, the investigation process, investigation results, and related documents.
5. Protection of the confidentiality of whistleblowers' identities and the content of their reports.
6. Establishment of measures to protect whistleblowers from improper retribution.
7. An incentive system for whistleblowers.

If the designated personnel or unit finds material misconduct or the likelihood of material damage to the Company, the personnel or unit shall immediately report this in writing to independent directors.

Article 14 Discipline and Appeals System

The Company shall adopt and publish a discipline and appeals system for handling violations of its ethical corporate management rules. When the Employee Incentives and Punishment Committee adjudges an integrity violation in accordance with the standards stipulated in paragraph 3 of Article 6, the violating individual's title and name, the date and details of the violation, and the actions taken in response shall be immediately disclosed on the Company's internal website.

Article 15 Information Disclosure

The Company shall disclose the status of the implementation of the Principles on its website and in its annual reports, corporate governance reports, and prospectuses, and the Market Observation Post System.

Article 16 Review and Revision of the Principles

The Company shall continually monitor the development of local and foreign principles related to ethical corporate management and encourage its directors, managers, employees, and mandataries to make suggestions for improving the Ethical Corporate Management Best Practice Principles and related measures as well as enhancing the effectiveness of their implementation.

Article 17 Implementation

These Principles, and any amendment hereto, shall take effect after approval by the Board of Directors and public announcement.

When the Ethical Corporate Management Best Practice Principles are brought to the Board of Directors for discussion, consideration shall be given to the independent directors' opinions, which shall be recorded in the meeting minutes. If an independent director cannot personally attend a Board meeting to express a dissenting or qualified opinion, a written opinion may be submitted in advance, unless there is justification otherwise, and recorded in the meeting minutes.