Taiwan Life Insurance Co., Ltd.

Corporate Governance Best-Practice Principles

Document Formulation/Amendment Record

Version of Formulation/ Amendment	Date of Formulation/ Amendment	Description of Document Formulation/Amendment	Author	Remark
V1.0	August 27, 2013			Enacted by the 505th Board of Directors
V2.0	November 5, 2015			Amended by the 2nd meeting of the 25th term Board of Directors
V3.0	June 29, 2017	Introduced additional regulations in line with the Corporate Governance Best Practice Principles of parent company CTBC Financial Holding Co., Ltd., and to strengthen the functions and responsibilities of the Board of Directors.		Amended by the 33rd meeting of the 25th term Board of Directors
V4.0	December 26, 2017	Legal Compliance Department coordinated the proposal to amend regulations and systems.	Legal Compliance Department	Amended by the 41th meeting of the 25th term Board of Directors
V5.0	October 2, 2018	Introduced additional regulations in line with the “Corporate Governance Best Practice Principles of the Insurance Enterprise” and the “CTBC Financial Holding Co., Ltd. Corporate Governance Best Practice Principles” from parent company.	Chairman Office	Amended by the 54th meeting of the 25th term Board of Directors

V6.0	July 2, 2019	1. To fulfill corporate governance and enhance the performance of the Board of Directors, the Company has specified the obligation for the insurance industry to designate corporate governance personnel and a corporate governance officer pursuant to Specific Measure 10 of the "New Version of Corporate Governance Roadmap (2018 ~ 2020)". 2. To ensure the independence of the Independent Directors to achieve sound company operations, the Company has specified that an Independent Director may not serve at the same company for more than three consecutive terms.	Chairman Office Lei Cheng	Amended by the 16th meeting of the 26th term Board of Directors
V7.0	October 1, 2019	Specified the requirement for number of concurrent positions held for non-independent directors and the attendance from Directors at Board of Directors meetings in reference to the Corporate Governance Best Practice Principles from CTBC Financial Holding Co., Ltd.	Chairman Office Hsiao-Jou Chen	Amended by the 19th meeting of the 26th term Board of Directors
V8.0	July 30, 2020	Specified that the Company shall introduce additional internal rules to prevent insider trading, methodology and procedures of the performance evaluation of the Board of Directors, and to amend the restrictions of positions served by the Chairman and the President or equivalent positions in line with CTBC Financial Holding Co., Ltd.'s amendment of partial articles of the Corporate Governance Best Practice	Chairman Office Chun-Yen Hsu	Amended by the 33rd meeting of the 26th term Board of Directors

		Principles.		
V9.0	May 27, 2021	Introduced new article(s) in response to the addition of Article 64 paragraph 4 of the Corporate Governance Best Practice Principles of the Insurance Enterprise specified by the Directive Letter No. 1100414443 dated March 26, 2021 from the Financial Supervisory Commission.	Chairman Office	Amended by the 47th meeting of the 26th term Board of Directors
V10.0	July 29, 2022	Amended partial articles in line with amendment of partial articles of the Corporate Governance Best Practice specified by the Directive Letter No. 1110414961 dated April 25, 2022 from the Financial Supervisory Commission.	Chairman Office	Amended by the 16th meeting of the 27th term Board of Directors
V11.0	November 24,2022	Amended partial articles in line with the suggestion from the corporate governace evaluation and the CTBC Financial Holding Co., Ltd.'s amendment of partial articles of the Corporate Governance Best Practice Principles.	Chairman Office	Amended by the 24th meeting of the 27th term Board of Directors
V12.0	February 23, 2023	Amended partial articles in line with the Insurance Corporate Governance Best Practice Principles from the Financial Supervisory Commission on December 27, 2022 and the amendment of the Corporate Governance Best Practice Principles which was announced by the CTBC Financial Holding Co., Ltd. on November 25, 2022 and January 16, 2023.	Chairman Office	Amended by the 29th meeting of the 27th term Board of Directors
V13.0	March 31, 2023	Accordance to the Principle of communication and contact between CTBC Financial Holding Co., Ltd. and its shareholders, in addition, taking into account CTBC Financial Holding Co., Ltd.'s		

		management authority and needs for the company in accordance with Article 36, Paragraph 1 of the Financial Holding Company Law, Article 13-2 is added.		
V14.0	August 22, 2023	In response to the Insurance Corporate Governance Best Practice Principles was approved by the Financial Supervisory Commission on July 19, 2023 for reference, the Company's Corporate Governance Best Practice Principles has been revised.	Chairman Office	Amended by the 41th meeting of the 27th term Board of Directors
V15.0	December 29, 2023	Amended partial articles in line with Article 13, Article13-1, Article 13-2 and Article 19 of the Insurance Corporate Governance Best Practice Principles.	Chairman Office	Amended by the 47th meeting of the 27th term Board of Directors
V16.0	December 31, 2024	Amended partial articles in line with the Corporate Governance Best Practice Principles which was announced by the CTBC Financial Holding Co., Ltd. on November 22, 2024.	Chairman Office	Amended by the 6th meeting of the 28th term Board of Directors
V17.0	February 27, 2025	Amended partial articles in line with the Insurance Corporate Governance Best Practice Principles was approved by the Financial Supervisory Commission on January 16, 2025.	Chairman Office	Amended by the 8th meeting of the 28th term Board of Directors

Taiwan Life Insurance Co., Ltd.
Corporate Governance Best-Practice Principles

Chapter 1: General principles

Article 1 The Corporate Governance Best Practice Principles (hereinafter "these Principles") are hereby formulated to establish an effective corporate governance system and disclosed on the Market Observation Post System or the Company website by Taiwan Life Insurance Co., Ltd. (Hereinafter "the Company") to practice governance and sound business management for the Company and its subsidiaries based on the principles of hierarchical delegation of duty and professional responsibilities, and in reference to the "Corporate Governance Best Practice Principles of the Insurance Enterprise" and the "CTBC FINANCIAL HOLDING CO., LTD. Financial Holding Co., Ltd. Corporate Governance Best Practice Principles".

The Company shall ensure the sound functioning of its subsidiaries and encourage them to follow the spirit and the principles of these Principles, the characteristics of its industry, and the local laws and regulations when devising their own principles. However, with the express permission of the Chairman of the Company's parent company, CTBC FINANCIAL HOLDING CO., LTD. Financial Holding Co., Ltd. (Hereinafter "CTBC FINANCIAL HOLDING CO., LTD."), subsidiaries may be exempted from devising their own principles for reasons of organizational scope or actual operations.

Article 2 Besides focusing on capital adequacy ratio, asset quality, business management ability, profitability, asset liquidity, and risk sensitivity, the Company shall also comply with the following principles in establishing its corporate governance system:

1. Complying with laws and regulations and enhancing internal management.
2. Protecting shareholders' rights and interests.
3. Strengthening the functions of the Board of Directors.
4. Protecting the rights and interests of policyholders and respecting the rights and interests of stakeholders.
5. Maintaining solvency.
6. Enhancing information transparency.

Chapter 2: Legal compliance and strengthening internal management

Article 3 The Company shall establish a comprehensive internal control system and to implement it effectively; the Board of Directors is ultimately responsible for ensuring the formulation and maintaining a proper and effective internal control system. The Company's senior management shall be guided and supervised by the Board of Directors, and complies with business strategies, risk preferences, and remunerations and other policies approved by the Board of Directors, and develop procedures capable of identifying, evaluating, supervising, and controlling the Company's risks, in order to formulate a proper and effective internal control system. The organization, procedures, and decision-making of the senior management shall be clear and transparent, and the roles, functions, and responsibilities of its positions shall be specified.

A majority of the Audit Committee must approve the establishment of or amendments to the internal control system, and any such resolution must also be approved by the Board of Directors. If any independent director opposes the motion or issues a qualified opinion regarding it, this shall be clearly recorded in the meeting minutes.

The Company's internal audit system shall assess the effectiveness of the internal control system, measure operational efficiency, and provide timely suggestions for improvements to ensure that the system continues to function effectively and to assist the Board of Directors and management to fulfill their responsibilities.

The Company shall establish an internal auditing unit under the Board of Directors to oversee auditing-related affairs in an independent and impartial manner, and report to the Board of Directors on a regular basis.

The Company is advised to establish communication channels and mechanisms between independent directors, the Audit Committee, and internal auditing officers. Regular discussions shall be held with internal auditors and directors on the subject of deficiencies in the internal control system; these discussions shall be on the record, with improvements tracked and implemented and reports made to the Board of Directors.

The Company shall designate a deputy to the internal auditor in order to implement the internal control system, strengthen the professional abilities of the deputy of the internal auditor, and further improve and maintain the quality of auditing and the results of its implementation.

If their recommendations for improvements regarding significant deficiencies or non-compliance identified in internal controls are not accepted by management, and if this might incur a material loss for the Company, the Company's auditors and chief compliance officer shall report this directly to the competent authority.

Article 4 To maintain the functions of an effective and proper internal control system, the Company shall formulate a self-verification system, legal compliance system, and risk management mechanism, as well as an internal audit system, or the three lines of defense of the internal control system, in addition to complying with the implementation procedures stipulated by the competent authority.

Chapter 3: Protecting shareholders' rights and interests

Article 5 The Company shall value the rights to information from the shareholders of CTBC FINANCIAL HOLDING CO., LTD., and to strictly abide with the relevant provisions on the disclosure of information in the insurance industry pertaining to the Company's financial, business, shareholding from insiders, and corporate governance status.

To protect the rights and interests of shareholders and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

The internal rules should apply to stock trading control measures on company insiders from the date of receiving a financial report or learning of a related business achievement. Including (but not limited) directors shall not trade securities of CTBC FINANCIAL HOLDING CO., LTD. in the prohibited period. Which is 30 days before the date of receiving an annual financial report and 15 days before the date of receiving a seasonal financial report.

Article 6 The Company shall formulate appropriate internal rules governing donations and submit these to the Board of Directors for approval. Donations to political parties, interested parties, and charity groups shall be publicly disclosed.

Article 7 When entering into material financial or business transactions such as the acquisition or disposition of assets, the Company shall act in accordance with the applicable laws and regulations. Appropriate operating procedures shall be put in place and submitted to the Board meeting for approval (acting on behalf of the Shareholders' Meeting). When engaging in investment, the Company is advised to take the corporate governance status of a target public company into consideration.

Article 8 The Company shall clearly identify the division of authority and responsibility between it and its affiliated enterprises regarding the management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 9 To prevent improper credit approval between stakeholders of the Company from taking advantage of their positions, leading to damages on the shareholders and policyholders and affect the Company's sound management, the Company shall impose proper restrictions on credit approval for CTBC FINANCIAL HOLDING CO., LTD., the substantial shareholders of CTBC FINANCIAL HOLDING CO., LTD., the Company's investees, or a responsible personnel or an employee of the Company, or anyone who is a stakeholder with the staff in charge of handling credit approval for the Company's responsible personnel or employee. In addition, the Company shall also comply with relevant regulations on credit approval for stakeholders in the Insurance Act and all relevant regulations prescribed by the competent authority.

To avoid the improper transfer of interests, which may damage the rights and interests of the Company, CTBC FINANCIAL HOLDING CO., LTD. or its substantial shareholders, when a real estate transaction is performed by the Company and CTBC FINANCIAL HOLDING CO., LTD., a substantial shareholder of CTBC FINANCIAL HOLDING CO., LTD., the Company's investee, responsible person of the Company, staff member, or party related to the responsible person of the Company, the transaction shall be based on fair, just, and objective principles and shall remain in line with normal business practices. Such transactions shall also comply with the Insurance Act and all relevant regulations prescribed by the competent authority.

Article 9-1 When a merger or public acquisition occurs, the Company shall, in addition to complying with relevant laws and regulations, pay attention to the fairness and rationality of the merger or public acquisition plan and transaction, and pay attention to information disclosure and the subsequent soundness of the company's financial structure.

Personnel of the Company who handle matters related to mergers and acquisitions or public acquisitions should pay attention to conflicts of interest and avoidance situations.

Article 10 If a responsible person of the Company or its subsidiary concurrently holds a position, such conduct and the number of concurrent positions held shall ensure the effective execution of his or her principal and concurrent positions, and shall not enter into any conflict of interest or breach the internal controls or supervisory checks and balances of the Company, its invested enterprises, or its subsidiaries.

The Company shall regularly assess the performance of a responsible person's concurrent roles based on the investment management needs and its risk management policy. The results of which shall be used as an important reference for the person's continued service or termination of his/her concurrent roles.

Except for otherwise stipulated by regulatory requirements, the Company's managers may not be concurrent managers of affiliated enterprises.

Any Company director acting on his or her own behalf or on behalf of another person while engaged in activities within the scope of Company business shall explain at a Board meeting (acting on behalf of the Shareholders' Meeting) the key details of such activities and secure its prior approval.

Article 11 The Company shall establish sound objectives and systems for the management of finances, operations, and accounting in accordance with applicable laws and regulations. It shall also conduct a comprehensive risk assessment of its affiliated enterprises regarding its major transacting parties and implement the necessary control mechanisms to effective reduce credit risk.

Article 12 When the Company and its subsidiary enters into business transactions with its affiliated enterprises and shareholders, the legal provision shall be complied, and a written agreement shall be drafted governing the relevant financial and business operations between them, in accordance with the principles of fair dealing and reasonableness. When contracts are signed, the prices and terms of payment shall be clearly stipulated, and non-arm's length transactions shall be prohibited.When it is necessary to obtain a reasonableness report from a securities underwriter, valuation company or accountant in accordance with legal provisions, the report must be obtained before proceeding with the transaction.

The content of the written regulations in the preceding paragraph shall include the management procedures for acquiring or disposing of assets, and relevant major transactions shall be submitted to the board of directors for approval, and the board of directors shall act on behalf of the shareholders' meeting for approval or report.

Article 12-1 To protect the interests of shareholders, the Company should have dedicated personnel to properly handle shareholders' suggestions, doubts and disputes.

If the resolutions of the shareholders' meeting or the board of directors of the Company violate laws or the company's articles of association, or if the directors or managers of the Company violate laws or the company's articles of association when performing their duties, thereby causing damage to the interests of shareholders, the Company shall appropriately handle the legal proceedings filed by shareholders.

The company should establish internal operating procedures to properly handle the first two matters, retain records for future reference, and include them in the internal control system.

Article 12-2 The board of directors of the Company is responsible for establishing an interactive mechanism with shareholders to enhance mutual understanding of the Company's development objectives.

Article 12-3 In addition to communicating with shareholders through shareholders' meetings and encouraging shareholders to participate in shareholders' meetings, the board of directors of the

Company should contact shareholders in an efficient manner, work with managers and independent directors to understand shareholders' opinions and issues of concern, and clearly explain the company's policies to gain shareholder support.

Article 12-4 The Company is a subsidiary of CTBC FINANCIAL HOLDING CO., LTD., which holds all issued shares. The powers of the Company's shareholders' meeting are exercised by the Board of Directors in accordance with the Company Law and The Articles of Incorporation. All directors (including independent directors) are appointed by CTBC FINANCIAL HOLDING CO., LTD.. The provisions of this Code regarding shareholders' meetings and election of directors (including independent directors) are not applicable.

Chapter 4: Strengthening the functions of the Board of Directors

Article 13 The various procedures and arrangements of the Company's corporate governance system shall ensure that, in exercising its authority, the Board of Directors complies with laws, regulations, and its Articles of Incorporation.

The structure of the Board of Directors shall be decided by determining an appropriate number of Board members in consideration of its business scale and practical operational needs.

It is advisable that diversity be considered when determining the composition of the Board of Directors, and that an appropriate diversity policy based on the Company's business operations, operating dynamics, and development be formulated to include but not limited to the following two general standards:

1. Basic characteristics: gender, age, nationality, culture, etc. The ratio of either gender is appropriate to one third of the board of director ; and
2. Professional experience and capabilities: background (e.g., in the legal, accounting, industrial, financial, marketing, or technology fields), professional skills, industry experience, etc.

It is advisable that all Board members possess the knowledge, skills, and experience necessary to perform their duties.

To achieve the Company's corporate governance goals, it is advisable that the overall composition of the Board of Directors possess:

1. The ability to make operational judgments;
2. The ability to perform accounting and financial analysis;
3. The ability to operate and manage the Company;
4. Risk management knowledge and capabilities;
5. Crisis management skills;
6. Professional financial and insurance knowledge;
7. A global market perspective;
8. Leadership skills; and
9. Decision-making skills.

The Board of Directors shall recognize risks (such as market risk, credit risk, liquidity risk, operational risk, legal risk, risk of reputation, and other risks related to the business management of an insurance company) to Company operations, ensure the effectiveness of risk management, and assume ultimate responsibility for risk management.

Article 13-1 Members of the company's board of directors shall meet the qualifications stipulated by relevant laws and regulations of the competent authority. The Company may propose to CTBC FINANCIAL HOLDING CO., LTD. the requirements for the composition of directors that comply with the preceding article based on its industry expertise, company vision and development strategy, as a reference for the appointment of directors by CTBC FINANCIAL HOLDING CO., LTD..

Article 13-2 The controlling shareholder of the company shall follow the rules below:

1. The controlling shareholders shall have the duty of good faith to other shareholders, and shall not directly or indirectly cause the company to engage in operations that are not in accordance with business practices or are otherwise unprofitable .
2. The representatives shall comply with the relevant regulations set by the Company for exercising rights and participating in resolutions, and shall fulfill the fiduciary duty of directors when serving as directors.
3. The controlling shareholders shall not improperly interfere with the company's decision-making or hinder business activities.
4. The controlling shareholders shall restrict or hinder the company's operations by unfair competition.
5. The legal representative appointed by the controlling shareholders as a director should meet the professional qualifications required by the company and should not be changed arbitrarily.

The communication between the controlling shareholders and the Company mentioned in the preceding paragraph shall pay attention to the following principles to comply with the regulations in the preceding paragraph.

1. In principle, the communication should be done through the representative appointed by the shareholder as a director of the

company. If necessary, the director representative may invite the company's manager to accompany him to communicate with the shareholder if it’s necessary, and the company should record the communication.

2. If the controlling shareholders have suggestions on board meeting proposals or company management decisions, their director representatives should present them at the board of directors or functional committee meetings to exchange opinions and discuss them. They may not convene meetings on their own or improperly interfere in company decisions in other ways.
3. The controlling shareholders shall have a confidentiality obligation regarding any material information of the company that they have learned before it is publicly disclosed, and shall not use such information to engage in insider trading.

Article 14 To achieve its corporate governance goals, the Board’s main tasks are as follows:

1. Establish an effective and appropriate internal control system.
2. Select and supervise managers.
3. Review the Company’s management decision-making and operational plans, and supervise their implementation.
4. Review the Company’s financial objectives and monitor progress toward them.
5. Oversee the Company’s asset and liability allocations and operating results.
6. Approve the performance appraisal and remuneration standards for managers, salespersons, and transacting insurance agents and brokers, as well as the remuneration structure and system for directors.
7. Maintaining the Company’s minimum degree of solvency.

8. Supervise and handle the Company's risks.
9. Supervise the future direction of the Company.
10. Establish and protect the Company’s image and fulfill corporate sustainable development.
11. Elect accountants and actuarial personnel.
12. Protect the rights and interests of policyholders.
13. Ensure the Company’s compliance with relevant laws and regulations.
14. Other major matters requiring discussion and resolution by the Board of Directors or required by the competent authority in accordance with the law and the Articles of Incorporation.

The Company shall establish an intellectual property management system to evaluate and monitor the management direction and performance of intellectual property and report the implementation status to the Board of Directors on a regular basis.

Article 14-1 The Company shall designate a unit to execute matters related to Board meetings in line with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

The Company shall allocate the appropriate number of corporate governance personnel based on its business scale, business status, and managing needs and appoint a Corporate Governance Officer to be responsible for corporate governance-related issues.

The employment and dismissal of the Corporate Governance Officer shall be approved by Board resolution.

The Corporate Governance Officer shall adhere to these Principles, unless otherwise required by regulatory authorities, in which case the latter shall take precedence.

The corporate governance-related issues mentioned in the preceding paragraph include the following:

1. Handling affairs relating to Board meetings according to the law.
2. Producing the minutes of Board meetings.
3. Assist directors in assuming office and pursuing continuing education.
4. Providing information required by directors to perform their duties.
5. Assisting directors with legal compliance.
6. Report to the board of directors the results of its review of whether the qualifications of independent directors comply with relevant laws and regulations during their term of office.
7. Handle matters related to director changes.
8. Other matters as stipulated by the Articles of Incorporation or agreements.

The Corporate Governance Officer is considered a manager of the Company. Unless otherwise stipulated by regulation, the Corporate Governance Officer position may be concurrently held by a person in another position in the Company. However, this person holding concurrent positions shall ensure the effective execution of the duties of both positions and that there is no conflict of interest or violation of the internal control system.

The Corporate Governance Officer shall be a lawyer or CPA who is qualified to practice or has served in a securities-, financial-, or futures-related institution or a unit of a public company handling legal affairs, legal compliance affairs, internal auditing affairs, financial affairs, stock affairs, or corporate governance affairs as stipulated in paragraph 3 in a managerial position for at least three years.

The Company shall arrange professional training for the Corporate Governance Officer. The Corporate Governance Officer shall complete a minimum of 18 hours of continuing education courses within one year the being appointed to that position, and a minimum of 12 hours of continuing education courses in each following year. The course requirements, qualified institutions, and procedures for continuing education shall be subject mutatis mutandis to the provisions of the Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies.

In the event that the Corporate Governance Officer resigns or is dismissed, the Company shall appoint another person to fill the vacancy within one month of the date of occurrence.

Article 15 Unless otherwise approved by the competent authority, spousal relationships or familial relationships within the second degree of kinship may not exist among more than half of the Company's directors.

The Company directors shall comply with the provisions of the Regulations Governing Qualification Requirement by the Responsible Persons of Insurance Enterprises.

Article 16 Clear distinctions shall be drawn between the responsibilities and duties of the Chairman and the President.

It is advisable that the Chairman and the President or equivalent positions not be held by the same person, or the spouse or an individual with second degree of familial kinship with the person.

Article 16-1 The company should establish a management development plan and have the board of directors regularly evaluate the development and execution of the plan to ensure sustainable operations.

Article 16-2 The chairman of the board of directors shall internally preside the meeting of the board of directors and externally represent the company. The chairman of the board of directors should faithfully perform his duties and fulfill his duty of care as a good manager, and exercise his powers with a high degree of self-discipline and prudence.

If the chairman of the board of directors performs his duties in remote working modes such as working in remote locations, working from home, or video conferencing at home and abroad for a long period of time, he shall not only comply with the provisions of the preceding paragraph, but also ensure the effective execution of his duties.

Article 16-3 In order to implement the sustainable development responsibility of the board of directors, the company shall handle the following matters:

1. It is advisable to establish a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development.
2. The company should have its board of directors supervise the promotion of sustainable development, and the risk management policies or strategies formulated should include risk assessments on environmental, social or corporate governance issues related to the company's operations.
3. Greenhouse gas inventory and verification schedule planning should be completed and reviewed and controlled by the board of directors on a quarterly basis.

   When the Company conducts greenhouse gas inventory and verification in accordance with the preceding paragraph, it shall follow the planning of the Financial Supervisory Commission's

"Sustainable Development Roadmap for TWSE Listed Companies and TPEx listed Companies".

Article 16-4 In order to promote sustainable development, the company's directors and senior managers should take a total of three hours of sustainable development courses every year.

The sustainable development courses mentioned in the preceding paragraph may include internal education and training courses organized by the company or its affiliated companies.

The number of training hours for directors referred to in Paragraph 1 may be handled in accordance with Continuing Education for Directors of TWSE Listed and TPEx Listed Companies; senior managers referred to in Paragraph 1 refer to supervisors at or above the deputy general manager level of the company.

Article 17 The Company shall set an appropriate number of independent directors based on its management scale and business needs. The Company shall appoint independent directors numbering no fewer than three and comprising not suitable for less than one-third of the total number of directors., and the independent directors shall be appointed by CTBC FINANCIAL HOLDING CO., LTD. pursuant to the Article 15 of the Financial Holding Company Act.

Independent directors shall possess professional knowledge, and restrictions shall be placed on their shareholdings and concurrent positions. Applicable laws and regulations shall be observed and it is not advisable that an independent director hold concurrent office as a director (including as an independent director) or supervisor in more than four other TWSE/TPEx-listed companies.

The Company's independent directors may not hold concurrent positions as independent directors in more than three public companies. However, if a public company is CTBC FINANCIAL HOLDING CO., LTD., it is regarded as forming part of the Company itself and is thus not counted toward the aforementioned limit.

It is not advisable that the Company's non-independent director hold concurrent office as a director (including as an independent director) or supervisor in more than four other TWSE/TPEx-listed companies.

Independent directors of the Company shall serve no more than three terms.

Independent directors shall also maintain independence within the scope of their directorial duties and may not have any direct or indirect interest in the Company.

Independent directors may not change status and become non-independent directors during their term of office, or vice versa.

Professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements related to independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and other relevant regulations.

Article 18 The Company shall clearly stipulate the scope of duties of independent directors and provide them with the human and material resources necessary to exercise their power. In particularly serious or dubious cases, independent directors may, if necessary, request internal auditors to conduct special inspections or follow-up tracking or to employ third-party professionals, including but not limited to attorneys and accountants, to assist in the assessment. The Company and other Board members shall not restrict or obstruct independent directors in the performance of their duties.

When an independent director requests that internal auditors conduct an inspection or seeks the opinion of third-party professionals, the Company shall comply with all relevant procedures and submit the audit results or third-party opinion to the Audit Committee and the Board of Directors.

The Company shall stipulate the remuneration of directors in accordance with the Articles of Incorporation. Independent directors may receive reasonable levels of remuneration that differ from those of non-independent directors.

Article 19 To strengthen the Company's management mechanisms, the Board of Directors may establish the Audit Committee, the Risk Management Committee and a number of functional committees in line with the Board's scale and the number of its independent directors, and expressly provide for them in the Articles of Incorporation.

Functional committees shall be accountable to the Board of Directors and shall submit any proposals to the Board for approval. However, this excludes the performance of supervisory duties by the Audit Committee pursuant to the Securities and Exchange Act, the Company Act, and other laws and regulations.

Functional committees shall adopt organizational charters to be approved by the Board of Directors. The charters shall detail the numbers, requisite qualifications, terms of office, and powers of committee members as well as the meeting rules and resources to be provided by the Company for the exercise of power by the committees.

Article 20 The Company is advised to establish and announce channels for internal and external whistleblowers and to establish whistleblower protection mechanisms. It shall also formulate relevant internal procedures and incorporate them into the Company's internal control system for management purposes. The aforementioned procedures must address the following:

1. The establishment and announcement of an internal Company mailbox or hotline, or the commissioning of an independent external institution to provide a mailbox or hotline, for internal and external whistleblowers.
2. The designation of personnel or dedicated units to handle the whistleblowing system.
3. The recording and retaining of accepted complaints, their handling process, their results, and other relevant documentation.
4. The maintaining of the confidentiality of whistleblowers, their identities, and the content of their disclosures.
5. The safeguarding of whistleblowers' rights and interests so that they are not inappropriately disciplined for whistleblowing.

   The Company may decline to deal with whistleblowing made anonymously or pseudonymously or without a genuine address or sufficient detail.

If a whistleblowing report is found to be false and to constitute a malicious attack on the Company or Company personnel, subparagraph 5 of paragraph 2 hereof is not applicable.

Article 21 To improve the quality of its financial reports, the Company shall designate a deputy to the principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the same schedule as that of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in at least six hours of relevant professional development courses annually. Such courses may be internal training courses or professional courses offered by institutions specializing in the development of accounting officers.

The Company shall select a professional, responsible, and independent attesting CPA or other professionally qualified and independent external auditor to perform regular audits of the Company's financial conditions and internal control measures. Regarding any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during a review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. The Company is advised to establish channels and mechanisms of communication between independent directors, the Audit Committee, and the attesting CPA, and to incorporate procedures for that purpose into the internal control system for management purposes.

The Company shall regularly (not less than once every year) refer to audit quality indicators to evaluate the independence and suitability of the CPA. In the event that the Company engages the same CPA for seven consecutive years or that the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.

Article 22 The Company is advised to engage competent professional legal counsel to provide suitable legal consultation services to assist the Board of Directors and management by enhancing their legal knowledge in order to prevent the infraction of laws or regulations by the Company or its staff, and to ensure that corporate governance matters proceed pursuant to the relevant legal framework and prescribed procedures.

In the event that directors or management become involved in litigation or a legal dispute with CTBC FINANCIAL HOLDING CO., LTD. as a result of performing their lawful duties, the Company shall retain legal counsel to provide necessary assistance at the Company's expense.

The Audit Committee and independent directors may, at the Company’s expense, retain legal counsel, accountants, or other professionals on behalf of the Company in order to, as necessary, conduct an audit or provide consultation on matters relating to the exercise of their powers.

Article 23 To achieve sound business management, the Company shall engage certified actuary to be in charge of clarifying and establishing insurance premiums, verifying policy reserves, and other matters designated by the competent authority.

Article 24 The Company's board of directors is advised to meet at least once every two months; however, in emergency circumstances, a meeting may be called on shorter notice.

The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance, and comprehensive pre-meeting materials shall be sent together with the notice of the meeting. A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request supplement materials, or the deliberation of such proposal may be postponed by a resolution of the board of directors.

The Company shall adopt rules of procedure for meetings of its board of directors; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with these Regulations.

Article 25 The Company directors shall conduct business faithfully and with due care. Directors shall ensure that all matters are handled in accordance with Board resolutions.

Any Board resolution that involves Company business development or a major policy direction shall be carefully considered and must not affect the implementation or effectiveness of corporate governance.

The Company directors serve on the functional committees and the Board of Directors; it is advisable that, except under special circumstances, their annual attendance rate not be less than 80%.

Article 26 The Company shall formulate rules and procedures for Board performance evaluations. In addition to conducting performance evaluations of the Board of Directors and individual directors each year through self-assessments and peer assessments, the Company may also engage outside professional institutions or utilize any other appropriate manner. The Board performance evaluation shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the Company’s needs:

1. Participation in the Company’s operations.

2. Improvement of the quality of the Board's decision-making.
3. Composition and structure of the Board.
4. Election and continuing education of the directors.
5. Internal control.
6. Focus on sustainable operations(ESG).

The performance evaluations of Board members (self-assessments or peer assessments) shall include the following aspects, with appropriate adjustments considered according to the Company's needs:

1. Understanding of the Company's goals and mission and focusing on sustainable operations(ESG).
2. Understanding of director's responsibilities.
3. Participation in the Company's operations.
4. Management of internal relationships and communication.
5. Professionalism and continuing education.
6. Internal control.

The performance evaluations of functional committees shall include the following aspects, with appropriate adjustments considered according to the Company's needs:

1. Participation in the Company's operations.
2. Understanding of functional committee's responsibilities.
3. Improvement of the quality of functional committee's decision-making.
4. Composition of the functional committee and election of committee members.
5. Internal control.

The Company shall submit the Board performance evaluation to the Board of Directors and it is advisable that it be referenced in determining individual directors' compensation, nomination, and for the consideration of re-election by the parent company, CTBC FINANCIAL HOLDING CO., LTD..

Article 27 If any Board resolution violates a law, regulation, or article of incorporation, CTBC FINANCIAL HOLDING CO., LTD. or independent directors may request the discontinuation of the resolution, and Board members shall take appropriate measures or discontinue the resolution as soon as possible.

In accordance with the preceding paragraph, upon discovering any likelihood of the Company suffering material damage, the directors shall immediately report this to the Audit Committee.

Article 28 The Company is advised to take out liability insurance for directors with respect to liabilities resulting from the performance of their duties.

Whenever the Company purchases or renews such insurance for directors, it is advisable to report the insured amounts, coverage, premium rates, and other important details at the next Board meeting.

Article 29 Upon becoming directors and throughout their terms of office, directors are advised to attend training courses on insurance, finance, risk management, business, commerce, accounting, law, anti-money laundering and counterterrorism financing, and sustainable development as offered by institutions designated in the Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies, which address subjects relating to corporate governance. Directors shall also ensure that employees at all levels of the Company enhance their professionalism and knowledge of the law.

The training hours are calculated progressively, starting from January 1 to December 31 of the current year in principle. If due to special circumstances or course design, the calculation must be cross-year, the reason should be stated when disclosing the training implementation status.

Chapter 5: Protecting and respecting the rights and interests of stakeholders

Article 30 The Company shall maintain open channels of communication with policyholders, employees, CTBC FINANCIAL HOLDING CO., LTD., or other stakeholders of the Company as well as respect and protect their legal rights and interests, and is advised to designate a stakeholders section on its website.

If any stakeholder's legal rights or interests are harmed, the Company shall handle the matter in a proper manner and in good faith.

The Company shall provide sufficient information to policyholders within legal boundaries to facilitate their evaluation of the Company's business conditions. If any of their legal rights or interests are harmed, the Company shall respond with a responsible attitude and assist them to achieve proper treatment.

Article 31 For the legal rights or interests of policyholders, besides respect and protection, the Company shall also engage in business operations in a proper manner and in good faith, and to properly handle any dispute that arises from insurance contracts.

Article 32 The Company shall establish channels of communication with employees and encourage them to communicate directly with management and directors and to express their opinions about the

Company's management, financial conditions, and material decisions concerning employee welfare.

Article 33 While seeking to maintain normal business development and maximize the interests of CTBC FINANCIAL HOLDING CO., LTD., the Company shall pay attention to consumers' rights and interests, the protection of the local environment, public welfare activities, and other issues, and shall give serious regard to its sustainable development.

Chapter 6: Enhancing information transparency

Article 34 The Company shall meet its obligations in information disclosure faithfully in accordance with relevant laws and regulations including the Regulations Governing Public Disclosure of Information by Life Insurance Enterprises, and its Articles of Incorporation.

The Company shall appoint personnel responsible for gathering and disclosing information, and institute a spokesperson system to ensure the proper and timely disclosure of information on policies that may affect the decisions of shareholders of CTBC FINANCIAL HOLDING CO., LTD. and stakeholders.

Article 35 To enhance the accuracy and timeliness of material information disclosures, the Company shall appoint a spokesperson and deputy spokesperson(s) who thoroughly understand the Company's financial and business conditions and are capable of coordinating with departments to gather the necessary information and independently represent the Company through public statements.

The Company shall appoint one or more deputy spokespersons who shall represent the Company when the spokesperson cannot perform his or her duties. Deputy spokespersons shall be allocated hierarchical ranks to avoid confusion.

In implementing the spokesperson system, the Company shall unify the process of making external statements, require management and employees to maintain confidentiality regarding privileged financial and operational information, and prohibit the disclosure of any such information without prior approval.

Whenever a change is made to any spokesperson or deputy spokesperson position, the Company shall immediately disclose this information.

Article 36 The Company is advised to utilize online communication by establishing a website to keep CTBC FINANCIAL HOLDING CO., LTD.' shareholders and stakeholders fully informed regarding its finances, operations, and corporate governance.

To avoid misleading information, the aforementioned website shall be maintained by dedicated personnel and all recorded information shall be accurate, detailed, and updated on a timely basis.

The company shall, in accordance with the relevant provisions of the Insurance Industry Financial Reporting Standards, regularly announce or disclose consolidated financial statements and individual financial statements that have been certified by accountants, approved by the audit committee, and approved by the board of directors.

Article 37 The Company shall disclose the following information on corporate governance for the current fiscal year in accordance with the relevant laws and regulations:

1. The corporate governance framework and rules.

2. The ownership structure and the rights and interests of shareholders.
3. The composition and independence of the Board of Directors.
4. Operations of the Board of Directors: number of meetings held, attendance from each director, goals and assessment of implementations to strengthen the functions of the Board in the current period and the previous period, as well as other matters requiring disclosure.
5. The responsibilities of the Board of Directors and managers.
6. The composition, duties, and independence of the Audit Committee.
7. Operations of the Audit Committee: number of meetings held, attendance from each independent director, as well as other matters requiring disclosure.
8. The composition, duties, and operations of the Remuneration Committee, Risk Management Committee, and other functional committees.
9. The remuneration paid to directors, the President, and the Vice President over the past two fiscal years; an analysis of the ratio of total remuneration to net profit after tax in the Company's individual financial reports; the policies, standards, and packages of remuneration; and the procedures for determining remuneration and correlations with operational performance and future risk.
10. Separate disclosure of remunerations to the directors and the President in line with the regulations and format stipulated by Article 20 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.
11. The progress of director training.
12. Information regarding risk management.

13. Rights and relations with stakeholders.
14. A grievance system.
15. Fulfillment of sustainable development: the Company's systems, measures, and status of implementation toward environmental protection, community engagement, social contribution, community service, social welfare, protection of consumers' rights, human rights, safety, health, response of climate risk(including the information of Climate Related Financial Disclosure(TCFD)) and other sustainable development activities.
16. Status of donations to political parties, interested parties, and charity groups.
17. Implementation status of corporate governance and any discrepancies from these Principles and the reasons thereof.
18. Information regarding internal audit.
19. Other information relevant to corporate governance.

The Company is advised to disclose specific plans and measures to improve its corporate governance using a proper manner and based on the actual implementations of corporate governance.

The company should regularly publish due diligence reports (or disclose the performance of institutional investors' due diligence reports in business reports, annual reports, sustainability reports, etc.), which should at least include matters such as negotiation of investment targets and participation in shareholders' meetings.

The Company shall prepare Sustainability Report with Chinese version and English version; besides disclosing information relevant to "Performance of Green Finance" in the report, the Company shall also receive third-party verifications for its data and information.

When preparing the previous year's sustainability report, the

Company may jointly issue a sustainability report with CTBC FINANCIAL HOLDING CO., LTD.. However, the content should be able to individually identify the specific actions of the Company in promoting sustainable development, and the report content should at least include the items that should be disclosed in the preparation of a sustainability report by the insurance industry.

Chapter 7: Supplementary provisions

Article 38 In order to ensure the integrity of the company's operations and prevent unethical conduct, the company should formulate relevant measures for integrity management for compliance.

The integrity management measures in the preceding paragraph include:

1. Measures of accountability
2. Code of conduct
3. Measures of preventing interest conflict
4. The training course of enterprise ethical corporate management
5. Unethical conduct risk evaluation mechanism
6. Risk management measures for corporate integrity
7. Procedure of preventing unethical conduct
8. Violation punishment and appeal system
9. Review measures

The internal audit unit shall formulate relevant audit plans based on the results of the assessment of unethical conduct risks, and use them to verify compliance with the unethical conduct prevention plan, and may entrust a certified public accountant to perform the audit.

Article 39 The Company shall continually monitor domestic and international developments in corporate governance to facilitate the review of the

Company's own corporate governance mechanisms in order to enhance their effectiveness.

Article 40 Matters not specified in these principles shall be governed by the Company Act, the Securities and Exchange Act, the Insurance Act, Corporate Governance Best Practice Principles of the Insurance Enterprise, and other related laws and regulations and general conventions.

Article 41 These Principles, and any amendment hereto, shall take effect after approval by the Board of Directors and public announcement.