

Stock Code: 2850

ShinKong Insurance Co., Ltd.

The 2022 Regular Shareholders' Meeting Agenda



Date: May 27, 2022

Place: 8F., No. 15, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei City (the meeting room on the 8th floor of the company)

ShinKong Insurance Co., Ltd.

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ShinKong Insurance Co., Ltd.

The 2022 Regular Shareholders' Meeting Procedure

- I. Call the meeting to order
- II. Chairman's opening statement
- III. Reporting matters
- IV. Ratification
- V. Discussion
- VI. Motions
- VII. Meeting adjourned

ShinKong Insurance Co., Ltd.

The 2022 Regular Shareholders' Meeting Agenda

Time: 9:00 am, May 27 (Friday), 2022

Place: 8th Floor, No. 15, Section 2, Jianguo North Road, Zhongshan District, Taipei City (the meeting room on the 8th floor of the company)

Convening Method: Physical shareholders' meeting

- I. Call the meeting to order (report the total number of shares represented by the attending shareholders)
- II. Chairman's opening statement
- III. Reporting matters
 - (I) The 2021 business report
 - (II) The 2021 Audit Committee Review Report
 - (III) The 2021 Report on the distribution of remuneration to employees and directors
 - (IV) Amendments to the Company's "Corporate Social Responsibility Best Practice Principles."
 - (V) Amendments to the Company's "Procedures for the Use of Funds in Special Projects, Public Utilities and Social Welfare Enterprises."
- IV. Ratification
 - (I) The company's 2021 business report and financial statements
 - (II) The company's earnings distribution proposal for the year of 2021
- V. Discussion
 - (I) Amendments to the company's "Articles of Incorporation"
- VI. Motions
- VII. Meeting adjourned

Reporting matters

I. The 2021 business report

(I) Business Performance

The outbreak of COVID-19 continued in 2021. With the increasing rate of vaccination and the appropriate epidemic control in Taiwan, the control measures were released one after another; together with multiple revitalization measures promoted by the government, the consumption momentum of the private sector has been restored to stability. In terms of the overall property insurance market, even though the business of international travel and aerial insurance continued to record unsatisfactory results, vaccination insurance, epidemic control insurance, and mobile insurance were in high demand. Furthermore, the government extended the period for the automobile replacement subsidies to 2026 and loosened the specifications, which gave rise to the demand for vehicle replacement, driving the growth of the automobile insurance market; the overall insurance premium income exceeded NT\$200 billion in 2021, reaching NT\$206.7 billion.

Maintaining its stable business pace, ShinKong Insurance carefully evaluated the outbreak and made adjustments to its strategies. We have been operating premium channels, made corresponding adjustments to our business profiting structures, and performed examinations regarding the adequacy of premium. During the year, we maintained our momentum for upward growth. The overall insurance premium income throughout 2021 achieved NT\$21.73 billion, with a growth rate of 8.36% and market share of 10.51%; our underwriting profits and combined ratio have also recorded the most outstanding records in recent years. In terms of our investments, we recorded favorable investment performances by adopting stable strategies and grasped the early opportunities in the market. In 2021, our EPS of 7.13 for the year exceeded the EPS last year, and our overall operation achieved outstanding performances. The operation result is outlined as follows:

Motor Insurance:

In 2021, even though the outbreak and the shortage of chips resulted in the decrease of the overall automobile and motorcycle sales by 1.7% and 22%, respectively, as compared with 2020, the Company has been proactively developing its customer base in auto dealerships and insurance brokerage and agency, expanding its online insurance business capacity, and actively improving the renewal rate of valuable customers; the overall insurance premium increased to NT\$11.494 billion against the trend, with a growth rate of 7.99%, and a market share of 10.63%, ranking third place in the industry.

Fire Insurance:

With all our employees striving for securing premium businesses, the premium income for fire insurance of NT\$3.814 billion in 2021 created a new high for the Company, with a growth rate of 13.14%, and an increase in market share reaching 12.91%; our ranking rose from the third to the second in the industry. Apart from the business growth, our stringent premium policies also created favorable premium profits, achieving outstanding performances.

Marine Insurance:

Even when facing adverse factors of the outbreak, the US-China Trade War, and unsmooth supply chain and logistics, through the effort of colleagues in actively developing quality business, the insurance premium throughout the year reached NT\$1.187 billion in 2021, with a growth rate of 13.05%, ranking the third in the market, with the economic restoration worldwide, the increasing demands, and the upward adjustments to the rates of facultative reinsurance.

Liability Insurance:

In 2021, we continued developing various new products in response to the market in terms of liability insurance, employer liability insurance, mobile insurance, and vaccine insurance were the main pusher for our growth; under the backdrop of COVID-19 continuingly

affecting liability insurance products related to activities and travel, we managed to achieve the insurance premium of NT\$1.794 billion throughout the year, representing a growth of 19.59% as compared with 2020.

Engineering Insurance:

In 2021, as the new system of employer liability insurance requires the issuance of separate insurance policies, the overall market of engineering insurance reduced by 8.67%; however, through the efforts of our employees, we recorded healthy performances for offshore wind power, public construction, and small-to-medium-sized engineering insurances; the insurance premium reached NT\$1.113 billion throughout the year, with a growth rate of 6.01%, and an increase in our market share to 17.08%, and our ranking increased to the second in the market.

Accident and Health Insurance:

In 2021, despite the vaccine development and vaccination, the international travel sector was unlikely to be restored to its prosperous scene before. The Company optimized the guarantees in the domestic travel insurance to respond to the demand for domestic travel. In terms of accident insurance, we continued examining the business structure and improving the cooperation with premium financial channels to increase our operating performances. The insurance premium for accident and health insurance amounted to NT\$2.23 billion in 2020, with a growth rate of 5.60%, and we remained our ranking at the third in market share.

Investment:

In 2021, the Company's investment recorded outstanding performances. With the support from the stable income position, the dividend and interest income continued to increase steadily, improving the stability of net investment income. In addition, we focus on the market change at all times to grasp the trading opportunities in the Taiwan market and increase the capital gains, allowing our net investment income throughout the year to grow by approximately 40% as compared to 2021, setting the best performance for the past decade.

Aiming at sustainable operations, ShinKong Insurance established its "Sustainable Corporate Development Committee" to be responsible for monitoring and managing corporate operations related to ESG. Set out from the spirit of "treat customers with fairness," we upgraded the barrier-free facilities at its branches and established accessible financial-friendly website; furthermore, we established a "sign language video translation platform" and produced the Braille edition for its product introduction as a pioneer among the industry to smoothen the communication channels between different groups and satisfy various requirements, achieving the goal of inclusive financing. The Company adheres to the spirit of "take from society, give back to society"; when Taiwan was deeply affected by the outbreak, we not only launched products related to epidemic control and vaccination, but also donated medical supplies to help frontline medical staff and made donations to relevant groups to purchase BNT vaccines, so as to improve the vaccination rate. Furthermore, we continued to care for the disadvantaged and senior groups; through microinsurance and charitable donations, we realized the concept of "ShinKong Spirit Spread out the Love" by combining insurance with the public welfare. The operating results and social contributions of the Company received honorary rewards from the "Taiwan Outstanding Insurance Award," a national award for the insurance industry" in 2021 in terms of risk management, insurance customer services, promotion of compulsory automobile liability insurance, talent training, and care for public welfare; we also received the recognition of "Faith, Hope & Love Awards of Insurance – Best Professional Award," "FinTech Award – Digital Innovation Award," "Best Insurance Rating – Best CSR Award," and "Insurance Quality Award." The stable operating nature and outstanding profitability of the Company received the favorable ratings of "A," "A," and "twAA+" from A.M.Best, S&P, and Taiwan Ratings, respectively.

- (II) Budget implementation: The company did not issue financial forecasts that were audited by the independent auditor in 2021; therefore, there was no budget implementation to be reported.

(III) Financial income and expenditure: The company's operating income was NT\$18,464,057 thousand in 2021, operating cost was NT\$12,140,278 thousand, operating expense was NT\$3,659,019 thousand, operating profit was NT\$2,664,760 thousand, income tax expense was NT\$400,990 thousand, and net income was NT\$2,253,993 thousand.

(IV) Profitability analysis

Analysis items		2020	2021
Profitability	Return on assets	4.35%	5.41%
	Return on equity	13.09%	15.83%
	Net Investment Income Ratio	2.39%	3.17%
	Return on investment	2.18%	2.91%
	Combined ratio	91.82%	88.95%
	Retained expense ratio	35.47%	35.30%
	Retained loss ratio	56.35%	53.65%
	Earnings per share (NTD)	5.16	7.13

(V) Research & development status

1. Insurance product research & development:

Liability insurance and other property insurances are the two main new products developed this year with the purpose of enhancing market competitiveness and business growth momentum. The company continues to maintain compliance with law and regulations in a competitive market in order to take into account the interests and rights of consumers and the supervision requirements of the government authority. The existing products are with the flexibility of adjustment at any time in response to the external environment in order to provide customers with prompt protection and stabilize the competitiveness of the existing channels.

2. Financial actuarial research:

The company continues to conduct research, evaluation, and analysis on various issues related to capital reserve this year. It also actively promotes the IFRS 17 inter-departmental task force according to the latest standards issued in accordance with the International Financial Reporting Standards (IFRSs). We will continue to carry out the system establishment design and field testing for the computing models related to IFRS17, evaluating and calculating the financial effects, as well as examining and organizing relevant operating procedures in order to meet the supervision purpose of the government authority in strengthening the capital reserve of the insurance industry and smoothly linking to the international market.

3. Risk evaluation study

The frequency and impact of extreme weather disasters are worsening year after year due to global warming and climate change in recent years. Great attention has been attached to the climate change issues; therefore, to allow the Company to easily identify risks of natural disaster, except for adopting 3-D natural disaster risk indicators, the Company also proactively develops AI application models, potential flooding models, and other projects, which are expected to be used in daily underwriting operations as well as natural disaster risk management in response to major events in order to effectively increase the Company's risk management and efficiency.

Chairman: WU, HSIN-HUNG

Manager: HO, YING-LAN

Accounting Officer: Ya-Fang Tseng

II. The 2021 Audit Committee Review Report

REPORT OF CONSENT BY THE AUDIT COMMITTEE

The board of directors has duly prepared the Company's business report, financial statements and earning distribution proposal of Year 2021 in which the financial statements have been duly audited and verified by Certified Public Accountants Fu Wen-Fang and Chang Cheng-Tao of Ernst & Young who have issued the audit report. The aforementioned statements and reports have been duly reviewed by the Audit Committee and prove free of a discrepancy. The present Report is duly in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for verification.

To Shinkong Insurance Co., Ltd., the Shareholders' Regular Meeting of Year
2022

Audit Committee Convener: Chou Hsien-Tsai

March 9, 2022

III. The 2021 Report on the distribution of remuneration to employees and directors

- Note: 1. According to Article 27, Paragraph 1 of the company's Articles of Incorporation: "If there is any profit generated during the year, the company shall appropriate and distribute remuneration to employees and directors according to the following items. However, if there remains accumulated loss, the company shall reserve funds for making up the loss in advance. I. Employee's remuneration shall not be less than 1%. II. Director's remuneration shall not be higher than 2%..."
2. The distribution of director's remuneration is for an amount of NT\$32,019,286 and employee's remuneration (including managers) is for an amount of NT\$141,421,128 in cash.

IV. Amendments to the Company's "Corporate Social Responsibility Best Practice Principles"

- Note: 1. The Company's "Corporate Social Responsibility Best Practice Principles" was amended according to FSC Order No. 1100375814 issued by the Financial Supervisory Commission. The title of the "Corporate Social Responsibility Best Practice Principles" was amended as the "Sustainable Development Best Practice Principles," and relevant provisions were amended accordingly.
2. Please refer to Attachment I on pages 11 to 17 and Appendix II on pages 58 to 62 of this Handbook for the Company's "Corporate Social Responsibility Best Practice Principles" amendment list and the amended provisions.

V. Amendments to the Company's "Procedures for the Use of Funds in Special Projects, Public Utilities and Social Welfare Enterprises"

- Note: 1. The Company's "Procedures for the Use of Funds in Special Projects, Public Utilities and Social Welfare Enterprises" was amended according to FSC Order No. 11004345886 issued by the Financial Supervisory Commission.
2. Please refer to Attachment II on pages 18 to 36 and Appendix III on pages 63 to 70 of this Handbook for the Company's "Procedures for the Use of Funds in Special Projects, Public Utilities and Social Welfare Enterprises" amendment list and the amended provisions.

Ratification

Proposal I

Proposed by the board of directors

Cause of action: The company's 2021 business report and financial statements are submitted for recognition.

Note: I. The company had the 2021 balance sheet, comprehensive income statement, statement of shareholders equity, statement of cash flows, and business reports (including international insurance business branches) prepared, which were approved in the 16th board meeting of the 20th term of the board of directors on March 9, 2022. Also, the aforementioned reports were reviewed by the Audit Committee.

- II. The aforementioned financial statements were audited by CPA Wen-Fang Fu and CPA Cheng-Tao Chang of Ernst & Young Certified Public Accountants with an independent auditor's report issued.
- III. Please refer to Pages 3 to 6 and Attachment III on pages 37 to 45 of this Handbook for the business report, independent auditor's report, and financial statements.
- IV. Proposed for recognition

Resolutions:

Proposal II

Proposed by the board of directors

Cause of action: The company's 2021 statement of earnings distribution is presented for recognition.

Note: I. The company's 2021 statement of earnings distribution was resolved in the 16th board meeting of the 20th term of the board of directors on March 9, 2022, and audited by the Audit Committee according to the law.

- II. In the company's 2021 final accounts, the net income amounted to NT\$2,253,992,593 after deducting the legal reserve of NT\$450,201,779 according to the company's Articles of Incorporation, appropriating special reserve- capital reserve of NT\$785,452,928, appropriating special reserve – individual travel safety insurance accidental death and disability provision of NT\$1,929,230, disposing the equity instrument measured at fair value through other comprehensive income of NT\$4,913,904, and adding the re-measured defined benefit plan recovery of NT\$1,930,204 and the unappropriated earnings of 2020 of NT\$3,343,206. The distributable earnings of the current period are NT\$1,016,768,162. The company intends to propose the 2021 earnings distribution plan. Please refer to the Attachment IV on page 46 of this Handbook.

- III. Proposed for recognition

Resolutions:

Discussion

Proposal I

Proposed by the board of directors

Cause of action: Amendments to the company's "Articles of Incorporation" are presented for approval.

Note I Amended the Company's "Articles of Incorporation" according to Article
: . 162, Article 172-2, Article 192-1, Article 193-1, Article 240 of the "Company Act" and Article 14-5 of the "Securities Exchange Act."

II Please refer to Attachment V on pages 47 to 52 and Appendix IV on pages 71 to 74 of this Handbook for the Company's "Articles of Incorporation" amendment list and the amended provisions.

II Submitted for approval

Resolutions:

Motions

Meeting adjourned

Attachment I

ShinKong Insurance Co., Ltd. “Corporate Social Responsibility Best Practice Principles” Amendments List

Amended Title	Current Title	Description
ShinKong Insurance Co., Ltd. <u>Sustainable Development</u> Best Practice Principles	ShinKong Insurance Co., Ltd. <u>Corporate Social Responsibility</u> Best Practice Principles	According to According to the amendments stated in the FSC Order No. 1100375814, the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” was amended as the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and relevant provisions were amended, accordingly.
Amended provisions	Current provisions	Description
Article 1 To realize practices of <u>corporate social responsibility</u> and facilitate the advances of economy, environment, and society to achieve the target of sustainable development, ShinKong Insurance Co., Ltd. (the “Company”) established the Principles with reference to the “ <u>Sustainable Development</u> Best Practice Principles for TWSE/TPEX Listed Companies” to manage the risks to and its effects on the economy, environment, and society.	Article 1 To realize practices of <u>corporate social responsibility</u> and facilitate the advances of economy, environment, and society to achieve the target of sustainable development, ShinKong Insurance Co., Ltd. (the “Company”) established the Principles with reference to the “ <u>Corporate Social Responsibility</u> Best Practice Principles for TWSE/TPEX Listed Companies” to manage the risks to and its effects on the economy, environment, and society.	In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.
Article 2 When engaging in corporate operations, the Company actively fulfills <u>sustainable development</u> to keep itself aligned with the international development trend, improve the economic contributions to the nation, and improve the living quality of employees, communities, and society through fulfilling the responsibilities as a corporate citizen.	Article 2 When engaging in corporate operations, the Company actively fulfills <u>corporate social responsibility</u> to keep itself aligned with the international development trend, improve the economic contributions to the nation, and improve the living quality of employees, communities, and society through fulfilling the responsibilities as a corporate citizen.	In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.

<p>Article 3 When fulfilling <u>sustainable development</u>, the Company shall be aware of the interests of stakeholders, value factors of environment, society, and corporate governance while seeking sustainable operations and profits, and include such factors into the corporate management policies and operating activities. <u>The Company shall carry out risk evaluations for environmental, social, and corporate governance issues related to corporate operations based on the principle of materiality.</u></p>	<p>Article 3 When fulfilling <u>corporate social responsibility</u>, the Company shall be aware of the interests of stakeholders, value factors of environment, society, and corporate governance while seeking sustainable operations and profits, and include such factors into the corporate management policies and operating activities.</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 4 Regarding the practices of <u>sustainable development</u>, the Company shall, the Company shall perform according to the following principles: I. Implement corporate governance. II. Develop the sustainable environment. III. Maintain public welfare. IV. Reinforce <u>sustainable development</u> information disclosure.</p>	<p>Article 4 Regarding the practices of <u>corporate social responsibility</u>, the Company shall, the Company shall perform according to the following principles: I. Implement corporate governance. II. Develop the sustainable environment. III. Maintain public welfare. IV. Reinforce <u>corporate social responsibility</u> information disclosure.</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 5 The Company shall consider domestic and foreign <u>sustainable aspects</u> development trend, the connectivity with the core businesses of the enterprise, and effects of the overall operating activities on stakeholders to establish policies, systems, or relevant management policies of <u>sustainable aspects</u> and substantial promoting plan; <u>after being approved by the board of directors, submit them to the shareholders’ meeting for reporting</u> . <u>When any shareholders submit proposals involving sustainable development, the Company’s board of directors shall make due considerations regarding whether to include the proposals into the agenda of the shareholders’ meeting.</u></p>	<p>Article 5 The Company shall consider domestic and foreign <u>corporate social responsibility</u> development trend, the connectivity with the core businesses of the enterprise, and effects of the overall operating activities on stakeholders to establish policies, systems, or relevant management policies of <u>corporate social responsibility</u> and substantial promoting plan.</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>

<p>Article 7 Directors of the Company shall exert the obligation of care as a good administrator, supervise the enterprise in fulfilling <u>sustainable development</u>, and examine the implementation achievements and make continual improvements <u>at all times</u> to ensure the realization of the <u>sustainable development</u> policies.</p> <p>When fulfilling <u>sustainable development</u>, the board of directors of the Company shall include the following matters:</p> <p>I. Establish policies, systems, or relevant management policies regarding <u>sustainable development</u>.</p> <p>II. Include <u>sustainable development</u> into the Company's operating activities and development direction.</p> <p>III. Ensure the timeliness and accuracy of information disclosures related to <u>sustainable development</u>.</p> <p>Economic, environmental, and social issues arising from the operating activities of <u>the Company</u> shall be handled by the senior management under the authorization of the board of directors, and the senior management shall report to the board of directors regarding the handling status; the operating procedures and responsible personnel shall be stated.</p>	<p>Article 7 Directors of the Company shall exert the obligation of care as a good administrator, supervise the enterprise in fulfilling <u>social responsibilities</u>, and examine the implementation achievements and make continual improvements to ensure the realization of the <u>corporate social responsibility</u> policies.</p> <p>When fulfilling <u>corporate social responsibility</u>, the board of directors of the Company shall include the following matters:</p> <p>I. Establish policies, systems, or relevant management policies regarding <u>corporate social responsibility</u>.</p> <p>II. Include <u>corporate social responsibility</u> into the Company's operating activities and development direction.</p> <p>III. Ensure the timeliness and accuracy of information disclosures related to <u>corporate social responsibility</u>.</p> <p>Economic, environmental, and social issues arising from the operating activities of <u>companies listed on TWSE and TPEX</u> shall be handled by the senior management under the authorization of the board of directors, and the senior management shall report to the board of directors regarding the handling status; the operating procedures and responsible personnel shall be stated.</p>	<p>In response to the amendment to the title of the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 8 The Company shall organize educational training for the performance of <u>sustainable development</u>, including promoting matters stated in paragraph 2 in the preceding Article.</p>	<p>Article 8 The Company shall organize educational training for the performance of <u>corporate social responsibility</u>, including promoting matters stated in paragraph 2 in the preceding Article.</p>	<p>In response to the amendment to the title of the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 9 To improve the management of <u>sustainable development</u>, the Company shall establish a dedicated (part-time) unit to</p>	<p>Article 9 To improve the management of <u>corporate social responsibility</u>, the Company shall establish a dedicated (part-time) unit to</p>	<p>In response to the amendment to the title of the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," expanding the scope</p>

<p>promote <u>sustainable development</u> that is responsible for the policies, systems, or relevant management policies for <u>sustainable development</u>, and the proposition and execution of substantial promotional plan, and it shall report to the board of directors. The Company shall establish reasonable remuneration policies to ensure the remuneration planning is algin with the organization’s strategical targets and stakeholders’ interests. The employee’s performance evaluation system shall be combined with the <u>sustainable development</u> policies, and there shall be accurate and effective reward and punishment systems in place.</p>	<p>promote <u>corporate social responsibility</u> that is responsible for the policies, systems, or relevant management policies for <u>corporate social responsibility</u>, and the proposition and execution of substantial promotional plan, and it shall report to the board of directors. The Company shall establish reasonable remuneration policies to ensure the remuneration planning is algin with the organization’s strategical targets and stakeholders’ interests. The employee’s performance evaluation system shall be combined with the <u>corporate social responsibility</u> policies, and there shall be accurate and effective reward and punishment systems in place.</p>	<p>of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 10 The Company shall respect the interests of stakeholders when identifying stakeholders of the Company shall set up a stakeholder’s section on the website of the Company. It shall understand the reasonable expectations and requirements of stakeholders through appropriate communication methods and duly respond to material issues of <u>sustainable development</u> of their concerns.</p>	<p>Article 10 The Company shall respect the interests of stakeholders when identifying stakeholders of the Company shall set up a stakeholder’s section on the website of the Company. It shall understand the reasonable expectations and requirements of stakeholders through appropriate communication methods and duly respond to material issues of <u>corporate social responsibility</u> of their concerns.</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 21 The Company shall create a favorable environment for the career development of employees and establish effective career ability development training plan. The Company shall <u>establish and implement reasonable employee benefit measures (including remuneration, leaves, and other benefits), and</u> appropriately reflect the operating performances or achievements <u>in</u> the policies for employees’ remuneration to ensure the recruitment, retention of, and encouragement to human resources, achieving the target of sustainable operations.</p>	<p>Article 21 The Company shall create a favorable environment for the career development of employees and establish effective career ability development training plan. The Company shall appropriately reflect the operating performances or achievements <u>in</u> the policies for employees’ remuneration to ensure the recruitment, retention of, and encouragement to human resources, achieving the target of sustainable operations.</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 24 The Company shall ensure the quality of its <u>customer privacy.</u></p>	<p>Article 24 The Company shall ensure the quality of its products and services</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice</p>

<p>products and services according to the governmental regulations and specifications related to the industry.</p> <p>For marketing and labeling of its products and services , the Company shall comply with relevant regulations and international standards, and there shall be no deceit, misguidance, fraud, or any other acts that damages consumers’ trust or harms consumers’ interests.</p>	<p>according to the governmental regulations and specifications related to the industry.</p> <p>For marketing and labeling of its products and services , the Company shall comply with relevant regulations and international standards, and there shall be no deceit, misguidance, fraud, or any other acts that damages consumers’ trust or harms consumers’ interests.</p>	<p>Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 27</p> <p>The Company shall evaluate the effects of the Company’s operations on the community and engage human forces from where the Company’s operation locates to improve the community’ recognition.</p> <p>The Company shall participate in the events of civil organizations, public welfare groups, and local institutions related to community development and community education to facilitate the community development through business activities, donation, corporate volunteer services, or other professional public welfare services.</p>	<p>Article 27</p> <p>The Company shall evaluate the effects of the Company’s operations on the community and engage human forces from where the Company’s operation locates to improve the community’ recognition.</p> <p>The Company shall participate in the events of civil organizations, public welfare groups, and local institutions related to community development and community education to facilitate the community development through business activities, donation <u>in kind</u>, corporate volunteer services, or other professional public welfare services.</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Chapter 5</p> <p>Improve <u>sustainable development</u> information disclosure</p> <p>Article 28</p> <p>The Company shall disclose its information according to relevant regulations and Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and shall fully disclose information related to <u>sustainable development</u> that is relevant and reliable to improve information transparency.</p> <p>The information related to <u>sustainable development</u> disclosed by the Company is as follows:</p> <p>I. Policies, systems, or relevant management policies of <u>sustainable development</u> resolved by the board of directors and substantial promoting plan.</p> <p>II. Risks and effects of factors of</p>	<p>Chapter 5</p> <p>Improve <u>corporate social responsibility</u> information disclosure</p> <p>Article 28</p> <p>The Company shall disclose its information according to relevant regulations and Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and shall fully disclose information related to <u>corporate social responsibility</u> that is relevant and reliable to improve information transparency.</p> <p>The information related to <u>corporate social responsibility</u> disclosed by the Company is as follows:</p> <p>I. Policies, systems, or relevant management policies of <u>corporate social responsibility</u> resolved by the board of directors and substantial</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>

<p>implementing corporate governance, developing sustainable environment, and maintaining public welfare on the operations and financial condition of the Company.</p> <p>III. The performance <u>promotional</u> targets, measures, and implementation achievements established by the Company for <u>sustainable development</u>.</p> <p>IV. Substantial stakeholders and issues they concern.</p> <p>V. <u>Disclosure on the management and performance information of significant environmental and social issues by major suppliers</u>.</p> <p>VI. Other information related to <u>sustainable development</u>.</p>	<p>promoting plan.</p> <p>II. Risks and effects of factors of implementing corporate governance, developing sustainable environment, and maintaining public welfare on the operations and financial condition of the Company.</p> <p>III. The performance targets, measures, and implementation achievements established by the Company for <u>corporate social responsibility</u>.</p> <p>IV. Substantial stakeholders and issues they concern.</p> <p>V. Other information related to <u>corporate social responsibility</u>.</p>	
<p>Article 29</p> <p>When preparing the <u>sustainability</u> report, the Company shall adopt standards or guidelines widely recognized internationally to disclose the status of promoting <u>sustainable development</u>, and shall obtain the assurance or guarantee from a third party to improve the credibility of information according to laws and regulations.</p> <p>The content shall include:</p> <p>I. Implement <u>sustainable development</u> policies, systems or relevant management policies and substantial promoting plan.</p> <p>II. Substantial stakeholders and issues they concern.</p> <p>III. Execution performances and examination of the Company in implementing corporate governance, developing sustainable environment, maintaining public welfare, and facilitating economic development.</p> <p>IV. Future improvement directions and targets.</p>	<p>Article 29</p> <p>When preparing the <u>sustainable development</u> report, the Company shall adopt standards or guidelines widely recognized internationally to disclose the status of promoting <u>corporate social responsibility</u>, and shall <u>comply with requirements of laws and regulations</u> for obtaining the assurance or guarantee from a third party to improve the credibility of information.</p> <p>The content shall include:</p> <p>I. Implement <u>corporate social responsibility</u> policies, systems or relevant management policies and substantial promoting plan.</p> <p>II. Substantial stakeholders and issues they concern.</p> <p>III. Execution performances and examination of the Company in implementing corporate governance, developing sustainable environment, maintaining public welfare, and facilitating economic development.</p> <p>IV. Future improvement directions and targets.</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
<p>Article 30</p> <p>The Company shall keep abreast of the domestic and foreign development of standards related to <u>sustainable development</u> and the changes in the corporate</p>	<p>Article 30</p> <p>The Company shall keep abreast of the domestic and foreign development of standards related to <u>corporate social responsibility</u> and the changes in the corporate</p>	<p>In response to the amendment to the title of the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” expanding the scope of area to be focused by</p>

<p>environment to examine and improve the <u>sustainable development</u> system, so as to improve the achievements of performing <u>sustainable development</u>.</p>	<p>environment to examine and improve the <u>corporate social responsibility</u> system, so as to improve the achievements of performing <u>corporate social responsibility</u>.</p>	<p>enterprises from corporate social responsibility to the sustainable development, the Company amended relevant wordings.</p>
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Attachment II

ShinKong Insurance Co., Ltd. “Procedures for Use of Funds in Special Projects, Public Utilities, and Social Welfare Enterprises” amendments list

Amended provisions	Current provisions	Notes
<p>Article 1: Purpose The “Procedures for Use of Funds in Special Projects, Public Utilities, and Social Welfare Enterprises” is formulated in accordance with the “Regulations Governing Use of Insurer’s Funds in Special Projects, Public Utilities and Social Welfare Enterprises” (hereinafter referred to as the “Procedures”) in order to enhance the investment performance of special projects and public investment, and reduce investment risks.</p>	<p>Article 1: Purpose The “Procedures” is formulated in accordance with the “Regulations Governing Use of Insurer’s Funds in Special Projects, Public Utilities and Social Welfare Enterprises” in order to enhance the investment performance of special projects and public investment, and reduce investment risks.</p>	<p>Added abbreviation.</p>
<p>Article 2: Investment scope and quota specification I. Investment scope: <u>(I) Project Utilization: The project utilization of the Company’s funds shall be subject to the investments or loans regarding the following matters:</u> 1. <u>Emerging and key strategic projects approved by the government.</u> 2. <u>Venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses or private equity funds that meet the criteria specified by the competent authority and support projects in government policies.</u></p>	<p>Article 2: Investment scope and quota specification I. Investment scope: <u>The scope of investment of the Procedures is subject to the “Regulations Governing Use of Insurer’s funds in Special Projects, Public Utilities and Social Welfare Enterprises” (hereinafter referred to as the “Regulations”).</u> II. Investment quota: <u>The procedures are subject to the Regulations and other relevant provisions.</u></p>	<p>Added details of specifications related to investment scope and limitation.</p>

<p>3. <u>Industrial zone or regional development projects approved by the government.</u></p> <p>4. <u>Purchase of houses by the houseless.</u></p> <p>5. <u>Cultural and educational conservation and construction.</u></p> <p>6. <u>Funeral facilities not distributed as public utilities listed in Article 3 of the Regulations.</u></p> <p>7. <u>Other use in line with the government policies.</u></p> <p><u>(II). Public utilities investment:</u> <u>To make public utilities investments in accordance with the policies, the Company's funds are subject to the investments in the following matters:</u></p> <p>1. <u>Transportation facilities of highways, railroads, harbors, parking lots and airports.</u></p> <p>2. <u>Facilities of public utilities, such as water, electricity, telecommunications, etc.</u></p> <p>3. <u>Construction of social housing and elderly residence projects.</u></p> <p>4. <u>Environmental protection facilities, including river, sewerage, garbage and waste disposal, and funeral facilities, excluding cemeteries and columbarium.</u></p> <p>5. <u>Construction of public-welfare facilities for public recreation.</u></p> <p>6. <u>Other public utilities as promoted by the government or in line with the government's construction projects.</u></p> <p><u>The Company currently carries out public investments according to requirements under item 6. According to</u></p>		
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requirements of the organizer, for those who participate by way of investments in equity and receive real estate (residence) allocated by the investee in return, the percentage of the overall capital contribution ratio made by the Company multiplied by the part of real estate (residence) distributed by the investees in return over the real estate area of the entire project shall not exceed 10%, and the Company may not obtain the ownership of the residence. However, this shall not apply to circumstances when the residence is only for lease.

(III). Social welfare business
For investments in social welfare businesses by using funds of the Company, the investments shall be made to businesses established upon receiving the approval from the competent authority for the targeted business according to the law with major purposes of organizing social assistance, welfare services, national employment, social insurance, and medical healthcare, and other social welfare works, as well as facilities required by the operating businesses.

II. Principles for investment targets and exceptions

(I). Principles:

Targets for investments of project utilization, public and social welfare businesses shall possess profitability. Except for cooperating with the development, construction, provision of loans, and investment in line with the government's policies, or making capital construction to the establishment of long-term care service institutions

according to the law, investments shall be subject to the company limited registered according to the Company Act. (II). Exception: (in accordance with requirements under paragraph 2, Article 5 of the Regulations)

Targets of the investments in project utilization and public investments by the Company that comply with one of the following requirements may engage in limited partnerships for those being established and registered according to the Limited Partnership Act, without being subject to the restrictions relating to the company limited in the preceding subparagraph:

1. The target is included in the venture capital investment industries for the consultancy and assistance provided by the competent central authority according to “Regulations for the Guidelines for Venture Capital Investment Industry.”
2. The target is a private equity fund included in subparagraph 2, Article 2 of the Regulations.
3. The target is culture and education preservation and construction stated in subparagraph 5, Article 2 of the Regulations.
4. Other targets in accordance with the government’s policies and comply with the requirements of the competent authority.

The abovementioned investments made with the funds of the Company shall be subject to becoming a limited partner of the limited partnership, and shall be subject to the following

conditions:

1. Having made relevant self-disciplinary specifications, made declarations to the competent authority for archiving through the insurance association, and established internal operating specifications.
2. The ratio of regulatory capital to risk-weighted assets for the latest period shall comply with paragraph 1, Article 143-4 of the Insurance Act.

III. Investment limit

(I). Investment limit control:

1. Overall limit control:

The investment limit for project utilization or public and social welfare businesses by the Company shall not exceed 10% of the Company's funds.

2. Special item limit control:

Regarding the investment limit for targets set out in paragraph 2, Article 5 of the Regulations, the amount in aggregate shall not exceed 2% of the Company's funds.

(II). Investment limit control for a single target:

1. Principle: The total investments in a single target shall not exceed 5% of the Company's funds in aggregate.

2. Exception: (exclude the applications mentioned above)

Targets apart from those mentioned in paragraph 2, Article 5 of the Regulations.

(III). Investment ratio or capital contribution ratio:

The investment ratio or capital contribution ratio of the Company in targets shall comply with the following requirements:

1. "Venture capital

investment industries” and “others in compliance with the government’s policies”:

When the target is in the “venture capital investment industries” and “those set out in subparagraph 4, paragraph 2, Article 5 of the Regulations,” the ratio shall not exceed 25% of the paid-in capital or the paid-in capital contribution.

2. Private equity fund:

(1) Principle:

When the target is a “private equity fund” set out in subparagraph 2, Article 2 of the Regulations, the ratio shall not exceed 20% of the paid-in capital or the paid-in capital contribution of the target.

(2) Exception:

However, for those complying with the requirements of the competent authority, the ratio shall not exceed 25% of the paid-in capital or the paid-in capital contribution of the target.

3. “Public investment” and “social welfare business”:

(1) Principle:

When the target is in the businesses set out in items under Articles 3 and 4 of the Regulations, the ratio shall not exceed 45% of the paid-in capital or the paid-in capital contribution of the target.

(2) Exception:

However, this shall not apply to those complying with the following conditions and reported to the competent authority for approval:

- A. The ratio of regulatory capital to risk-weighted assets for the latest period complies with paragraph 1, Article 143-4 of the Insurance Act.

- B. The investment is approved by the board of directors with independent directors established; an audit committee shall also be in place.
- C. There is no significant deficiency when executing various capital utilization operations and internal control procedures or when the deficiencies are corrected with the description and certifying documents recognized by the competent authority within the latest year.
- D. Those with no material punishment or disposal imposed by the competent authority within the latest year. However, this shall not apply to those with their violations corrected and being recognized by the competent authority.
The material punishment or disposal mentioned refers to the fines amounted to three times of the minimum statutory amount and above imposed for a single act of violation stated in subparagraphs 1 and 13 in the material punishment and disposal measures set out in subparagraphs 1 to 12 in Article 2 of the Regulations for External Disclosures Related to Material Punishment Measures Arising from Violations of Financial Laws and Regulations Imposed by the Financial Supervisory Commission.
- E. For non-initial investment, when the paid-up capital or the paid-up capital contribution has reached 45% of the investment in the target and above, except when the target in a

<p><u>private institution stated in the Act for Promotion of Private Participation in Infrastructure Projects (hereinafter the “Act for Promotion and Participation”)</u>, there shall be <u>no accumulated loss in the financial statements for the latest period.</u></p> <p><u>(3) For securitization products issued targeting the items in Articles 3 and 4 in the Regulations, investments may be made within 10% of the total issued amount of the securitization product without being restricted by the investment ratio in the preceding subparagraph.</u></p> <p><u>4. Others not stated</u> <u>For targets other than those stated in the above points, the ratio shall not exceed 10% of the paid-in capital or the paid-in capital contribution of the target.</u></p> <p><u>5. Prohibition:</u> <u>The Company prohibits the investments in a single target exceeding half of the paid-up capital or half of the total number of issued shares with voting rights of the target to comply with the application of Article 8 of the Regulations.</u></p>		
<p>Article 3: Appraisal and operating procedures I. <u>Report to the competent authority for approval</u> The investment in special projects, public utilities and social welfare enterprises is handled by having the Investment Department prepared an analysis report in accordance with market conditions and the “Regulations Governing Use of Insurer’s Funds in Special Projects, Public Utilities and Social Welfare Enterprises.”</p>	<p>Article 3: Appraisal and operating procedures <u>I.</u> The investment in special projects, public utilities and social welfare enterprises is handled by having the Investment Department prepared an analysis report in accordance with market conditions and the “Regulations Governing Use of Insurer’s Funds in Special Projects, Public Utilities and Social Welfare Enterprises.” An investment must be approved by going through the</p>	

<p>An investment must be approved by going through the company’s internal approval process, approved by the board of directors, and approved by the government authority in advance.</p> <p><u>According to Article 9 of the Regulations, when the Company engages in project utilization or public and social welfare business investments, it shall enclose the following books and documents and report to the competent authority for approval:</u></p> <p>(I) <u>Investment plan and objective (including purpose, method, market analysis, cost analysis, short-to-long-term investment efficacy analysis, shareholder or the limited partnership’s partner structure and operating team). However, this shall not apply to business items stated in Articles 3 and 4 of the Regulations, with an assessment opinion issued by a CPA for the appropriate financial assessment regarding the investment project and a legal opinion issued by a certified lawyer regarding its legality enclosed.</u></p> <p>(II) <u>Breakdown for project capital utilization or investment in public and social welfare businesses and its performance analysis (including the investment performance analysis and descriptions for each period).</u></p> <p>(III) <u>Financial reports of the target. However, this shall not apply to targets that are established for less than one year.</u></p> <p>(IV) <u>When the target is a limited partnership stated in paragraph 2, Article 5 of the Regulations, the summary of</u></p>	<p>company’s internal approval process, approved by the board of directors, and approved by the government authority in advance.</p> <p>II. <u>Board of director authorization limit and level: For those complying with any circumstances of the Regulations, within the quota stated in the “Regulations” and resolved</u> by the board of directors, handle the investment in special projects, public utilities and social welfare enterprises directly. <u>However, documents required by the Regulations shall be available for the competent authority to carry out the post-audit.</u></p> <p>III. Execution unit The Investment Department of the company is the execution unit to handle the investment in special projects, public utilities and social welfare enterprises.</p>	
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the drafted limited partnership contract.

(V) Resolutions made at the meeting of the board of directors or its authorization documents.

(VI) Post-investment management methods and assessments and planning for the corresponding measures. When the target is a business stated in Article 3 and 4 of the Regulations that shall have an assessment regarding the impacts on the environment implemented according to the Environmental Impact Assessment Act, the Company shall otherwise describe the post-investment management methods regarding the impact assessment.

(VII) When the target complies with those stated in subparagraph 2, Article 2 of the Regulations, its fundraising planning and investment decision-making system, post-investment management, information disclosures, and conflicts of interest prevention systems.

(VIII) When the target is a business stated in Articles 3 and 4 of the Regulations, the list of the appointed directors and supervisors, as well as the descriptions for the management system that duly exercises the functions, and the significant matter decision-making and post-investment management systems; when the number of all directors being appointed by insurance companies reaches half of the directors' seats, description documents certifying the independence of directors in compliance with conditions stated in paragraph 4, Article 6 of the Regulations shall be

<p><u>otherwise enclosed.</u></p> <p><u>(IX) Review documents from relevant authorities.</u></p> <p><u>(X) Information designated by other competent authorities.</u></p> <p><u>For the applications of investments in project utilization or public and social welfare businesses by the Company, the applications shall be deemed as approved when the competent authority fails to express its dissenting opinion, or requests supplementations or descriptions within 15 working days from the second day to the date on which the application documents are served.</u></p> <p><u>When the competent authority requests supplementations or descriptions regarding the application in the preceding paragraph, the applications shall be deemed as approved when the competent authority fails to express its dissenting opinion within 15 working days from the second day to the date on which the supplemented information or the description documents are served.</u></p> <p><u>When the Company invests in businesses stated in Articles 3 and 4 of the Regulations, any changes to the appointed directors and supervisors shall be reported to the competent authority for archiving.</u></p> <p><u>II. Direct investment</u></p> <p><u>※Engage in investments in project utilization or public and social welfare businesses</u></p> <p><u>When complying with any of the following circumstances,</u> the Company may resolved by the board of directors, handle the investment in special projects, public utilities and</p>		
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<p>social welfare enterprises directly. <u>However, when the Company makes investments according to Articles 3 and 4 of the Regulations, this shall not apply to targets with the environmental impact assessment ongoing during the development stage according to the Environmental Impact Assessment Act.</u></p> <p><u>(I). For investments approved by the competent authority, those participate in the capital increase in cash without exceeding the initial investment ratio or capital contribution ratio.</u></p> <p><u>(II). When the target is included in the venture capital investment industries consulted and assisted by the competent central authority of venture capital investment industries according to the Regulations for the Guidelines for Venture Capital Investment Industry, is a private equity fund stated in subparagraph 2, Article 2 and subparagraph 2, paragraph 2, Article 5 of the Regulations, a public investment stated in Article 3 of the Regulations or those stated in subparagraph 4, paragraph 2, Article 5 of the Regulations, and the total investment in a single target is below NT\$500 million and below 5% of the interests attributable to owners of the Company.</u></p> <p><u>(III). When the target is not a business stated in the preceding subparagraph, and the total investment in the single target is below NT\$50 million and below 2% of the interests attributable to owners of the Company.</u></p> <p><u>(IV). Other circumstances complying with requirements</u></p>		
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of the competent authority.
When engaging in investments
stated in the preceding
paragraph, the Company's
ratio of regulatory capital to
risk-weighted assets for the
latest period shall comply with
paragraph 1, Article 143-4 of
the Insurance Act.

※Projects carried out
according to the Facilitation
and Participation Act
When the target is in a project
carried out according to the
Facilitation and Participation
Act and complies with the
following investment amount
and conditions, the investment
may be made directly.
However, when the Company
engages in investments
according to Articles 3 and 4
of the Regulations, this shall
not apply to targets with the
environmental impact
assessment ongoing during the
development stage according
to the Environmental Impact
Assessment Act.

(I). When the total investments
and the interests attributable to
owners of the Company in a
single project are NT\$1 billion
and 10% and below,
respectively, and the following
conditions are met:

1. The Company's ratio of
regulatory capital to risk-
weighted assets for the latest
period shall comply with
paragraph 1, Article 143-4
of the Insurance Act.

2. The investment project has
documents stated in Article
9 of the Regulations
regarding its investment
precondition, and were
reported to and approved by
the board of directors
through a resolution.

(II). When the total

<p><u>investments and the interests attributable to owners of the Company in a single project are NT\$5 billion and 10% and below, respectively, and the following conditions are met:</u></p> <p><u>1. When the Company's financial conditions, corporate governance, and internal control comply with the following conditions:</u></p> <p><u>(1) The Company's ratio of regulatory capital to risk-weighted assets for the latest period and the average of regulatory capital to risk-weighted assets for the past two years reaching 250% and above.</u></p> <p><u>(2) The investment project has documents stated in Article 9 of the Regulations regarding its investment precondition, and were reported to and approved by the board of directors through a resolution that received consent from more than half of the attending directors at a meeting with more than two-thirds of directors attending.</u></p> <p><u>(3) Independent directors and the audit committee are established.</u></p> <p><u>(4) There is no significant deficiency when executing various capital utilization operations and internal control procedures or when the deficiencies are corrected with the description and certifying documents recognized by the competent authority within the latest year.</u></p> <p><u>(5) There is no significant deficiency when executing various capital utilization operations and internal</u></p>		
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<p><u>control procedures or when the deficiencies are corrected with the description and certifying documents recognized by the competent authority within the latest year.</u></p> <p><u>2. The investment project complies with the conditions regarding the financial standards and systems for guarantee or risk allocation and dispute handling by the competent authority of the investment project stated by the insurance association that is reported to the competent authority for archiving and fulfills the following conditions:</u></p> <p><u>(1) The Company's ratio of regulatory capital to risk-weighted assets for the latest period shall comply with paragraph 1, Article 143-4 of the Insurance Act.</u></p> <p><u>(2) The investment project has documents stated in Article 9 of the Regulations regarding its investment precondition, and were reported to and approved by the board of directors through a resolution.</u></p> <p><u>For investments performed according to the Facilitation and Participation Act, the total investment refers to the total sum of royalties, building costs, and rental payable by the Company according to agreements in the investment contract.</u></p> <p><u>For investments made by the Company according to paragraphs 1 and 3, Article 10 of the Regulations, documents stated in paragraph 1, Article 9 of the Regulations shall be available for the competent authority to perform post-audit, and the chief of legal</u></p>		
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<p><u>compliance at the headquarters shall issue an opinion that complies with laws, regulations, rules, and internal specifications, and sign for assuming the responsibility. The competent authority shall regularly inspect the investments of the Company in project utilization or public and social welfare businesses as stated in paragraphs 1 and 3, Article 10 of the Regulations, and impose restrictions or carry out reviews subject to the social and economic circumstances and its actual performance.</u></p> <p>III. Execution unit The Investment Department of the company is the execution unit to handle the investment in special projects, public utilities and social welfare enterprises.</p>		
<p>Article 6 <u>Post-investment management methods</u></p> <p>I. <u>Post-investment management method system.</u> <u>When the Company's funds are invested in targets stated in subparagraph 2, Article 2 of the Regulations for project utilization, the post-investment management methods shall examine the target and businesses invested directly or indirectly by it; there shall be no intervention in the dispute for the right to operation, and the matter shall be included in the contract or other agreements and documents signed.</u></p> <p>II. <u>Regularly examine whether the actual investments comply with the investment plan and scope initially established, circumstances required by the competent authority and competent authorities for other</u></p>	<p><u>None</u></p>	<p>Added the post-investment management method in response to the amendments to the Procedures for Investments in Special Projects, Public Utilities and Social Welfare Enterprises.</p>

<u>targeted businesses, and assessment and planning for the countermeasures to be adopted.</u>		
Article <u>7</u> : Internal Udit system	Article <u>6</u> : Internal Udit system	The order of Articles is changed
Article <u>8</u> : Appointment of senior managers	Article <u>7</u> : Appointment of senior managers	The order of Articles is changed
<u>Article 9: Director and supervisor appointment and management system for investment businesses stated in Articles 3 and 4 of the Regulations</u> <u>According to paragraph 4, Article 6 of the Regulations, when the Company invests in businesses stated in Articles 3 and 4 of the Regulations and appoint half of the directors of the investee company, there shall be at least one director of independence, and the director of independence shall possess professional knowledge required for the business of the investee company, shall maintain its independence when executing businesses, and shall not have any direct or indirect interests with the Company or its affiliates.</u>	<u>None</u>	Added the director and supervisor appointment and management system of the businesses listed stated in Articles 3 and 4 in the Regulations in response to the amendments to the Procedures for Investments in Special Projects, Public Utilities and Social Welfare Enterprises.
Article <u>10</u> : Other matters designated by the government authorities <u>I. Application of the limitation in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act</u> <u>According to paragraph 3, Article 7 of the Regulations, after the Company investing in project utilization or public and social welfare businesses, when the target complies with the investment conditions stated in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act, the investments in the target shall be subject to requirements in</u>	Article <u>8</u> : Other matters designated by the government authorities Matters not addressed in the “Procedures” shall be handled in accordance with the “Regulations” and related orders.	The order of Articles is changed; added the specifications for control and subordination relationship achieved through common ownership with its stakeholders and the Application of the limitation in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act

subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act.
However, when exceeding the ratio stated in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act, except for making capital increase according to the initial investment ratio, there shall be no increase in the investment.

II. Specifications on control and subordination relationship achieved through common ownership with its stakeholders
According to paragraphs 4 and 5, Article 7 of the Regulations, when the Company invests in targets stated in subparagraph 2, Article 2, and subparagraphs 1, 2, and 4, paragraph 2, Article 5 of the Regulations for project utilization, and the control and subordination relationship over the target is achieved through common ownership with its stakeholders or otherwise, the investment shall comply with the following conditions:

(I) The Company may not directly or, in other methods, indirectly interfere the operating management and investment decision-making of the target and its investee companies through the target or other methods.

(II). The Company shall make combined calculation regarding its and the target's investments in the stocks publicly issued by the single company according to the laws upon approval as stated in subparagraph 3, paragraph 1, Article 146-1 of the Insurance Act.

III. Regarding the combined calculation for corporate stocks stated in subparagraph

<p><u>3, paragraph 1, Article 146-1 of the Insurance Act mentioned in subparagraph 2 of the preceding paragraph, it is calculated according to the investment proportion of the Company in the target. When exceeding the limit, comply with the following requirements before the exceeding circumstance is improved:</u></p> <p><u>(I). The shareholding of the Company regarding the stock shall no longer increase.</u></p> <p><u>(II). The target for the combined calculation of the Company shall no longer increase its shareholding of the stock.</u></p> <p><u>IV.</u> Matters not addressed in the “Procedures” shall be handled in accordance with the “Regulations” and related orders.</p>		
<p>Article <u>11</u>: Annex The “Procedures” is implemented with the approval of the board of directors. It will also be reported to the government authority by letter for review <u>and</u> submitted to the Shareholders’ Meeting. Subsequent <u>amendments</u> thereto shall be handled in the same manner.</p>	<p>Article <u>9</u>: Annex The “Procedures” is implemented with the approval of the board of directors. It will also be reported to the government authority by letter for review <u>and</u> submitted to the Shareholders’ Meeting. Subsequent <u>corrections</u> thereto shall be handled in the same manner.</p>	<p>Minor amendments to partial wording</p>

Attachment III

ShinKong Insurance Co., Ltd. Independent Auditor's Report

To: ShinKong Insurance Co., Ltd.

Opinions

We have audited the balance sheets of ShinKong Insurance Co., Ltd. as of December 31, 2021 and 2020 and the related statements of comprehensive income, changes in equity, cash flows and notes to the financial statements (including the summary of major accounting policies) for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ShinKong Insurance Co., Ltd. as of December 31, 2021 and 2020, and its financial performances and cash flows for the years then ended in compliance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, as well as International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations and Notices of IFRIC and Interpretative Announcement of SIC in effect that were recognized by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statement by Certified Public Accountants and the Generally Accepted Auditing Standards (GAAS). The responsibilities of the independent auditors under these standards will be further explained in the "Auditors' Responsibilities for the Audit of the Financial Statements." We are independent of ShinKong Insurance Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the R.O.C., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters refer to the most important matters in auditing the 2021 financial statements of ShinKong Insurance Co., Ltd. in accordance with our professional judgment of the independent auditors. These matters have been addressed during the process of auditing the financial statements as a whole, with opinions formed. We do not express any opinion on these matters separately.

Actuarial calculation of insurance liability reserve

The estimation of the insurance liability reserve is highly dependent on the subjective judgment of the internal actuarial experts of ShinKong Insurance Co., Ltd. Such actuarial assumptions are highly sensitive, and the actuarial calculation of the

insurance liability reserve is also complicated. Therefore, the independent auditors have had it classified as a key audit matter. The audit procedures of the independent auditors include but are not limited to: understanding the internal control related to the actuarial calculation of insurance liability reserves, including the process of applying various assumptions and methods by the experts hired by the management, and the process of reviewing the actuarial results by the management. Sample and review the data used for the calculation of the insurance liability reserve, and adopt internal actuarial experts to assist in reviewing actuarial assumptions and models and evaluating the actuarial judgments made by ShinKong Insurance Co., Ltd., including assessing whether various reserve assumptions and calculation methods are reasonable, and whether the mandatory insurance complies with the regulations of the government authority. The independent auditors also consider the appropriateness of the disclosure of insurance liabilities in Notes IV.14, V, and VI.12 of the financial statements.

Financial instruments measured at fair value

The financial instruments investments of ShinKong Insurance Co., Ltd. that are measured at the fair value are mainly based on the public quotation in the active market as the fair value. Since the changes in the fair value of financial instruments have a great impact on the financial instruments, the independent auditors have had it classified as a key audit matter. The audit procedures of the independent auditors include but are not limited to: assessing and testing the effectiveness of the internal control related to the fair value of financial instruments, including the procedures and methods established by the management to maintain appropriate fair value, and process of the management's reviewing the evaluation results. Sample and check whether the booked fair value is consistent with the public quotation in the active market. The independent auditors also consider the appropriateness of the disclosure of the fair value information of financial instruments in Note IV.6, VI.3, VI.4, and VII.11 of the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements under the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, as well as IFRSs, IASs, Interpretations and Notices of IFRIC, and Interpretative Announcement of SIC in effect that was recognized by the Financial Supervisory Commission, and for such internal control as necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the ShinKong Insurance Co., Ltd.'s ability to continue as a going concern, disclosing related matters, and using the going concern basis of accounting unless the management either intends to liquidate ShinKong Insurance Co., Ltd. or to cease

operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) of ShinKong Insurance Co., Ltd. are responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance; however, it is not a guarantee that an audit conducted in accordance with the GAAS will always detect a material misstatement in the individual financial statements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ShinKong Insurance Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ShinKong Insurance Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ShinKong Insurance Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the financial statements, including relevant notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair

presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the declaration to those charged with governance related to our independence stated in The Norm of Professional Ethics for Certified Public Accountant of the R.O.C., and communicated with those charged with governance regarding all relationships and other matters that may be deemed as having influences on the independence of CPAs, including relevant protection measures.

We have determined the key audit matters to be performed on the 2021 financial statements of ShinKong Insurance Co., Ltd based on the communications with those charged with governance. We state the key audit matters in the audit report except for the specific matters prohibited from being disclosed by law and regulations, or, in rare cases, where we decide not to have specific matters communicated in the audit report as the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

Ernst & Young Global Limited

The financial report of the public company is processed with
the approval of the government authorities

Audit Certificate No.: (90)Tai-Tsai-Jen(VI) Order No.100690

FSC Order No. 1030025503

Wen-Fang Fu

CPAs:

Cheng-Tao Chang

March 9, 2022

(English Translation of Financial Statements Originally Issued in Chinese)
 ShinKong Insurance Co., Ltd
 Balance Sheets
 As at December 31, 2021 and December 31, 2020

Unit: NTD thousands

Assets			December 31, 2021		December 31, 2020	
Code	Account titles	Note	Amount	%	Amount	%
11000	Cash and cash equivalents	IV、VI、VII	\$11,766,660	27	\$10,975,768	28
12000	Accounts receivable	IV、VI、VII	1,945,038	4	1,857,006	5
14110	Financial assets at fair value through profit or loss	IV、VI、VII	8,823,185	20	7,178,293	18
14145	Financial assets based on cost after amortization	IV、VI、VII	6,941,041	16	5,777,353	14
14190	Financial assets at fair value through other comprehensive profit or loss	IV、VI、VII	1,388,344	3	1,318,579	3
14200	Investment property	IV、VI	2,408,457	5	2,451,904	6
15000	Reinsurance contract assets	IV、VI	8,246,645	19	7,781,387	20
16000	Property, plant, and equipment	IV、VI	1,308,644	3	1,080,035	3
16700	Right-of-use assets.	IV、VI	34,393	-	34,595	-
17000	Intangible assets	IV、VI	27,455	-	19,525	-
17800	Deferred income tax assets	IV、VI	262,673	1	236,467	1
18000	Other assets	VI	732,945	2	761,429	2
1XXXX	Total assets		<u>\$43,885,480</u>	<u>100</u>	<u>\$39,472,341</u>	<u>100</u>

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd

Balance Sheets (continue)

As at December 31, 2021 and December 31, 2020

Unit: NTD thousands

Liabilities and equity			December 31, 2021		December 31, 2020	
Code	Account titles	Note	Amount	%	Amount	%
21000	Accounts Payables	VI、VII	\$2,894,222	7	\$2,438,589	6
21700	Current income tax liabilities	IV、VI	275,164	1	161,727	-
23200	Financial liabilities at fair value through profit or loss	IV、VI、VII	-	-	3,831	-
23800	Lease liabilities	IV、VI	34,924	-	35,124	-
24000	Insurance liability	IV、VI	25,067,097	57	23,224,171	59
27000	Reserve for liabilities	IV、VI	119,280	-	127,546	-
28000	Deferred tax liabilities	IV、VI	34,389	-	62,103	-
25000	Others		203,172	-	195,550	1
2XXXX	Total liabilities		<u>28,628,248</u>	<u>65</u>	<u>26,248,641</u>	<u>66</u>
31000	Capital stock	VI	3,159,633	8	3,159,633	8
32000	Capital reserves	IV、VI	64,800	-	64,800	-
33000	Retained earnings					
33100	Legal reserve	IV	3,200,891	7	2,873,498	7
33200	Special reserve	IV	5,669,201	13	4,881,819	13
33300	Undistributed earnings	VI	1,466,970	3	946,864	3
34000	Other equity		1,695,737	4	1,297,086	3
3XXXX	Total equity		<u>15,257,232</u>	<u>35</u>	<u>13,223,700</u>	<u>34</u>
	Total Liabilities and Equity		<u>\$43,885,480</u>	<u>100</u>	<u>\$39,472,341</u>	<u>100</u>

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd.

Statement of Comprehensive Income

January 1 to December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan dollars, except for Earnings Per Share)

Unit: NTD thousands

Code	Account titles	Notes	2021		2020	
			Amount	%	Amount	%
41000	Operating revenues:					
41110	Written premiums	IV - VII	\$21,732,070	118	\$20,054,819	122
41120	Reinsurance premium income	IV - VII	747,369	4	695,470	4
41100	Premium revenues		22,479,439	122	20,750,289	126
51100	Less: Reinsurance premiums ceded	IV - VII	(4,921,603)	(27)	(4,846,626)	(29)
51310	Unearned premium reserve net change	IV - VII	(717,027)	(4)	(676,967)	(4)
41130	Retained earned premium		16,840,809	91	15,226,696	93
41300	Reinsurance commission income	VII	357,737	2	409,558	2
41400	Income from handling fees		38,612	-	37,210	-
41500	Net gain from investment		1,200,969	7	810,399	5
41510	Interest revenue		308,794	2	322,363	2
41521	Gain (loss) on financial assets and liabilities at fair value through profit or loss		1,253,429	7	1,066,489	7
41527	Realized gain on financial assets at fair value through other comprehensive profit or loss		66,179	-	41,622	-
41550	Profit or loss from foreign exchange		(138,099)	(1)	(228,739)	(1)
41570	Profit or loss from investment property		80,635	1	74,859	-
41585	Expected credit impairment loss and reversal gain on investment	VI	389	-	(4,795)	-
41600	Profit or loss reclassified using the overlay approach	VI	(370,358)	(2)	(461,400)	(3)
41800	Other operating revenue		25,930	-	26,251	-
	Total operating revenues		18,464,057	100	16,510,114	100
51000	Operating cost:					
	Insurance claims and benefits		(10,747,868)	(58)	(10,837,979)	(66)
41200	Less: Benefits & Claims Recovered from reinsurers		2,431,197	13	2,597,525	16
51260	Retained claims and benefits		(8,316,671)	(45)	(8,240,454)	(50)
51300	Other insurance liabilities net change		(782,472)	(4)	(179,445)	(1)
51500	Commission expense	VII	(2,911,973)	(16)	(2,676,451)	(16)
51800	Other operating cost		(129,162)	(1)	(111,123)	(1)
	Total operating cost		(12,140,278)	(66)	(11,207,473)	(68)
58000	Operating expenses:					
58100	Business expense	VI	(3,240,781)	(18)	(3,009,803)	(18)
58200	Administrative expenses	VI	(382,838)	(2)	(360,646)	(2)
58300	Employee training expense		(16,078)	-	(16,392)	-
58400	Expected credit impairment reversal from non-investments		(19,322)	-	-	-
	Total operating expenses		(3,659,019)	(20)	(3,386,841)	(20)
61000	Operating revenues		2,664,760	14	1,915,800	12
59000	Non-operating revenues and expenses		(9,777)	-	13,844	-
62000	Income from continuing operations before tax		2,654,983	14	1,929,644	12
63000	Income tax expense	IV - VI	(400,990)	(2)	(299,920)	(2)
66000	Net income		2,253,993	12	1,629,724	10
83000	Other comprehensive income	VI				
83100	The items that are not re-classified as profit or loss					
83110	Reevaluation of determined benefit plan		2,413	-	9,488	-
83180	Incomes tax related to titles not subject to reclassification		(483)	-	(1,898)	-
83190	Evaluation of the capital gain/loss from equity instrument at fair value through comprehensive income statement as other items that may be re-classified subsequently under profit or loss		19,856	-	(25,472)	-
83200	Capital gain/loss of debts instrument at fair value through comprehensive income statement as other comprehensive income		(14,285)	-	62,159	-
83295	Other comprehensive income reclassified using the overlay approach		370,358	2	461,400	3
83280	Income tax related to items possibly be reclassified		17,808	-	(17,256)	-
	Other Comprehensive income in current period (net after tax)		395,667	2	488,421	3
85000	Total comprehensive income in current period		\$2,649,660	14	\$2,118,145	13
	Earnings per share					
97500	Basic earnings per share (denominated in New Taiwan dollars)	VI	\$7.13		\$5.16	

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSH-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd.

Statement of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Item	Capital stock	Capital reserves	Retained earnings			Other equity		Treasury stock	Total equity
			Legal reserve	Special reserve	Undistributed earnings	Unrealized gain on financial assets measured at fair value through other comprehensive profit or loss	Other comprehensive income reclassified using the overlay approach		
Balance as of January 1, 2020	\$3,159,633	\$64,777	\$2,561,087	\$4,190,636	\$882,228	\$52,933	\$762,972	\$-	\$11,674,266
The 2019 appropriation and distribution of earnings									
Appropriation of Legal reserve	-	-	312,411	-	(312,411)	-	-	-	-
Appropriation of Special reserves	-	-	-	691,183	(691,183)	-	-	-	-
Common Stocks cash dividends distributed	-	-	-	-	(568,734)	-	-	-	(568,734)
Net income in January 1 to December 31, 2020	-	-	-	-	1,629,724	-	-	-	1,629,724
Other comprehensive income in January 1 to December 31, 2020	-	-	-	-	7,590	24,300	456,531	-	488,421
Total comprehensive income in current period	-	-	-	-	1,637,314	24,300	456,531	-	2,118,145
Treasury Stocks Repurchase	-	-	-	-	-	-	-	(1,528)	(1,528)
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	(350)	350	-	-	-
Cost of share-based payment transactions	-	23	-	-	-	-	-	1,528	1,551
Balance as of December 31, 2020	\$3,159,633	\$64,800	\$2,873,498	\$4,881,819	\$946,864	\$77,583	\$1,219,503	\$-	\$13,223,700
Balance as of January 1, 2021	\$3,159,633	\$64,800	\$2,873,498	\$4,881,819	\$946,864	\$77,583	\$1,219,503	\$-	\$13,223,700
The 2020 appropriation and distribution of earnings									
Appropriation of Legal reserve	-	-	327,393	-	(327,393)	-	-	-	-
Common Stocks cash dividends distributed	-	-	-	-	(616,128)	-	-	-	(616,128)
Appropriation of Special reserves	-	-	-	785,453	(785,453)	-	-	-	-
Appropriation of Special reserves-Personal Travel Insurance Accidental Death and Disability Reserve	-	-	-	1,929	(1,929)	-	-	-	-
Net income in January 1 to December 31, 2021	-	-	-	-	2,253,993	-	-	-	2,253,993
Other comprehensive income in January 1 to December 31, 2021	-	-	-	-	1,930	8,372	385,365	-	395,667
Total comprehensive income in current period	-	-	-	-	2,255,923	8,372	385,365	-	2,649,660
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	(4,914)	4,914	-	-	-
Balance as of December 31, 2021	\$3,159,633	\$64,800	\$3,200,891	\$5,669,201	\$1,466,970	\$90,869	\$1,604,868	\$-	\$15,257,232

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Item	2021	2020
Cash flow from operating activities:		
Income from continuing operations before tax	\$2,654,983	\$1,929,644
Adjusted Items:		
Revenue, expense and loss		
Depreciation expenses	79,693	75,269
Amortization expenses	26,963	27,205
Net income on financial assets and liabilities at fair value through profit and loss	(1,253,429)	(1,066,489)
Net income on financial assets at fair value through other comprehensive profit or loss	(66,179)	(41,622)
Interest expenses	740	858
Interest revenue	(308,794)	(322,363)
Various insurance liabilities net change	1,499,499	856,412
Expected credit impairment loss and reversal gain/loss on investment	(389)	4,795
Expected credit impairment reversal from non-investments	19,322	-
Cost of share-based payment service	-	23
Profit or loss from disposal and scrapping of property and equipment	370,358	461,400
Expenses for reclassified property and equipment	(1,644)	286
Impairment losses on non-financial assets	20,660	-
Changes in assets/liabilities related to business activities		
Increase (decrease) of accounts receivable	(99,169)	(13,020)
Decrease (increase) of financial assets measured at fair value through profit or loss	(570,582)	102,480
Decrease (increase) of financial assets measured at fair value through other comprehensive profit or loss	(63,911)	(183,311)
Decrease of financial assets on the basis of cost after amortization	(1,163,316)	469,085
Decrease (increase) of reinsurance contracts assets	(121,831)	(83,542)
Decrease (increase) of other assets	(3,050)	68,634
Increase (decrease) of payables	455,633	(262,334)
Increase of financial liabilities measured at fair value through profit or loss	-	3,831
Provisions decrease	(5,853)	(37,592)
Other liabilities (decrease) increase	7,622	(36,832)
Cash inflow from operating activities	1,477,326	1,952,817
Interest received	301,219	324,265
Dividend received	240,856	162,747
Interest paid	(113)	(140)
Income tax paid	(324,148)	(331,945)
Net cash inflow from operating activities	1,695,140	2,107,744
Cash flows from investment activities:		
Purchase of property and equipment	(54,671)	(40,778)
Disposal of property and equipment	4,377	1,490
Purchase of investment property	(213,631)	(115,397)
Purchase of intangible asset	(8,038)	(79)
Net cash used in investing activities	(271,963)	(154,764)
Cash flows from financing activities:		
Cash dividends paid	(616,128)	(568,734)
Repayment of the principal portion of lease liabilities	(16,157)	(15,957)
Repurchase cost of treasury stocks	-	(1,528)
Employee purchase of treasury stocks	-	1,528
Net cash outflows from financing activities	(632,285)	(584,691)
Increase (decrease) of cash and cash equivalents in current period	790,892	1,368,289
Balance of cash and cash equivalents at the beginning of period	10,975,768	9,607,479
Balance of cash and cash equivalents at the ending of period	\$11,766,660	\$10,975,768

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

Attachment IV

ShinKong Insurance Co., Ltd.
Statement of Retained Earnings
2021

Unit: NT\$

Summary	Amount
Unappropriated earnings – beginning	3,343,206
Add: Net income	2,253,992,593
Minus: Appropriated 20% legal reserve	(450,201,779)
Minus: Appropriated special reserve – capital reserve	(861,071,309)
Minus: Appropriated special reserve – individual travel safety insurance accidental death and disability provision	(1,929,230)
Minus: Equity instrument measured at fair value through other comprehensive income	(4,913,904)
Add: Recovered special reserve – capital reserve	75,618,381
Add: Recovered defined benefit plan re-measured amount	1,930,204
Distributable earnings	1,016,768,162
Distribution	
Shareholder dividend: 315,963,300 shares (cash dividend per share = NT\$3.20)	1,011,082,560
Unappropriated earnings – ending	5,685,602

Note: (I) The earnings distribution proposal is calculated in accordance with the “unconditionally rounding down to the nearest dollar” method.

(II) The board of directors will be authorized to schedule the dividend distribution date separately after the 2021 earnings distribution proposal is passed in the regular shareholders' meeting.

(III) The earnings distribution will be implemented with the current earnings first and then the unappropriated earnings of previous years for the insufficient amount, if any, in that order.

(IV) If the number of shares outstanding is affected by the purchase of the company's shares or the transfer of treasury shares to employees in the future that causes changes in the shareholder's dividend ratio or needs to be revised in response to the objective circumstances, the Shareholders' Meeting is proposed to have the board of directors authorized to deal with the matter.

(V) The appropriation and collection of special reserve- the special capital reserve is based on the provisions of Article 8, Paragraph 3 of the “Rules Governing the Appropriation of Reserves by Insurance Enterprises.”

(VI) The appropriation of special reserve – individual travel safety insurance accidental death and disability provision was made according to the FSC Order No. 10904939031 issued on October 29, 2020.

Chairman: WU, HSIN-HUNG

Manager: HO, YING-LAN

Accounting Officer: Ya-Fang Tseng

Attachment V

ShinKong Insurance Co., Ltd. “Articles of Incorporation” amendment list

Amended Provisions	Current Provisions	Description
<p>Article 5: The capital of the Company is <u>NT\$5 billion</u>, divided into 500,000,000 shares with a par value of NT\$10, and the board of directors is authorized to issue them in batches.</p>	<p>Article 5: The capital of the Company is <u>NT\$3.5 billion</u>, divided into 350,000,000 shares with a par value of NT\$10, and the board of directors is authorized to issue them in batches.</p>	Respond to the practical operations.
<p>Article 6: The share certificates of the Company are registered and issued after being <u>signed or affixed a seal by the director representing the Company</u>, and certified according to the law. Shares issued by the Company are exempted from the printing of share certificate, and the Company shall register the shares with the centralized securities depository institutions.</p>	<p>Article 6: The share certificates of the Company are registered and issued after being <u>signed or affixed seals by three directors or more</u>, and certified according to the law. Shares issued by the Company are exempted from the printing of share certificate, and the Company shall register the shares with the centralized securities depository institutions.</p>	Amended according to Article 162 of the Company Act.
<p>Article 8: <u>Deleted</u></p>	<p>Article 8: When shareholders apply for the re-issuance (replacement) of new share certificates due to the losses or damages of share certificates or the application of the splitting of share certificate, the Company may charge the costs and expenses.</p>	Not consistent with the current practices.
<p>Article 10: Shareholders’ meetings are divided into regular Shareholders’ Meetings and special Shareholders’ Meeting. Except for otherwise stated by the Company Act, the meetings shall be convened by the board of directors. The regular Shareholders’ Meeting shall be convened at least once a year within six months from the end of each fiscal year. The special shareholders’ meeting may be convened according to the law when necessary. When convening the regular Shareholders’ Meeting, the meeting date, venue, and reason for convening the meeting shall be described and provided to shareholders 30 days prior to the meeting; when convening the</p>	<p>Article 10: Shareholders’ meetings are divided into regular Shareholders’ Meetings and special Shareholders’ Meeting. Except for otherwise stated by the Company Act, the meetings shall be convened by the board of directors. The regular Shareholders’ Meeting shall be convened at least once a year within six months from the end of each fiscal year. The special shareholders’ meeting may be convened according to the law when necessary. When convening the regular Shareholders’ Meeting, the meeting date, venue, and reason for convening the meeting shall be described and provided to shareholders 30 days prior to the meeting; when</p>	Amended according to the amendments to Article 172-2 of the Company Act.

Amended Provisions	Current Provisions	Description
<p>special shareholders' meeting, 15 days. When agreed by the counterparty, the convening notice of the shareholders' meeting may be made through electronic methods. For shareholders holding registered share certificates of less than 1,000 shares, the convening notice above may be made through announcements.</p> <p><u>The shareholder' meeting of the Company may be carried out through video conferences or other methods announced by the competent central authority.</u></p>	<p>convening the special shareholders' meeting, 15 days. When agreed by the counterparty, the convening notice of the shareholders' meeting may be made through electronic methods. For shareholders holding registered share certificates of less than 1,000 shares, the convening notice above may be made through announcements.</p>	
<p>Article 16: The Company's board of directors comprises 9 to 15 directors, who are elected by shareholders <u>from the list of director candidates.</u> The term of office shall be three years, and they may be re-elected and re-appointed. Among the number of directors in the preceding paragraph, the number of independent directors shall be no less than three persons, and shall be no less than one-fifth of the number of directors. The election directors is subject to the candidate nomination system stated in Article 192-1 of the Company Act; the acceptance method, announcement, and relevant matters of the nomination of director candidate shall be subject to the Company Act, Securities Exchange Act, and relevant laws and regulations.</p>	<p>Article 16: The Company's board of directors comprises 9 to 15 directors, who are elected by shareholders <u>from capable persons.</u> The term of office shall be three years, and they may be re-elected and re-appointed. Among the number of directors in the preceding paragraph, the number of independent directors shall be no less than three persons, and shall be no less than one-fifth of the number of directors. The election directors is subject to the candidate nomination system stated in Article 192-1 of the Company Act; the acceptance method, announcement, and relevant matters of the nomination of director candidate shall be subject to the Company Act, Securities Exchange Act, and relevant laws and regulations.</p>	<p>Amended according to the amendments to Article 192-1 of the Company Act.</p>
<p>Article 18: Functions of the board of directors are <u>shown on the left:</u> I. Approval for rules and regulations. II. Determination on business policies. III. Approval for budgets and account. IV. Preparation earning distribution. V. Preparation for capital increase or decrease. VI. Determination on the trading or the establishment of lien of real estate.</p>	<p>Article 18: Functions of the board of directors are <u>shown on the left:</u> I. Approval for rules and regulations. II. Determination on business policies. III. Approval for budgets and account. IV. Preparation earning distribution. V. Preparation for capital increase or decrease. VI. Determination on the trading or the establishment of lien of real estate.</p>	<p>Minor amendments to wording.</p>

Amended Provisions	Current Provisions	Description
VII. Functions granted by other laws, and the shareholders' meeting.	VII. Functions granted by other laws and rules , and the shareholders' meeting.	
<p>Article 18-1: When executing their duties, remunerations shall be paid to directors of the Company regardless of gains or losses. The board of director is authorized to determine directors' remuneration according to the level of participation in operations and the value of contributions with reference to the general standards within the industry.</p> <p><u>The Company may purchase liability insurance for directors regarding the compensation responsibilities arising from the execution of its scope of business during the term of office.</u></p>	<p>Article 18-1: When executing their duties, remunerations shall be paid to directors of the Company regardless of gains or losses. The board of director is authorized to determine directors' remuneration according to the level of participation in operations and the value of contributions with reference to the general standards within the industry.</p>	Amended according to the amendments to Article 193-1 of the Company Act.
<p>Article 21: Functions of the Audit Committee are as follows :</p> <p>I. Establish or amend the internal control system according to Article 14-1 of the Securities and Exchange Act.</p> <p>II. Audit on the effectiveness of the internal control system.</p> <p>III. Establish or amend procedures involving significant financial operations and acts, including the acquisition or disposal of assets, engaging in derivative transactions, loans to others, provision of endorsement or guarantee to others according to Article 36-1 of the Securities and Exchange Act.</p> <p>IV. Matters involving the interests of directors.</p> <p>V. Transactions of significant assets or derivatives.</p> <p>VI. Significant loans or provision of endorsement or guarantee.</p> <p>VII. Offering, issuance, or private offering of securities in equity nature.</p> <p>VIII. Appointment, dismissal, or remuneration of CPAs.</p> <p>IX. Appointment and dismissal of chief of finance, accounting, or internal audit.</p>	<p>Article 21: Functions of the Audit Committee are shown on the left:</p> <p>I. Establish or amend the internal control system according to Article 14-1 of the Securities and Exchange Act.</p> <p>II. Audit on the effectiveness of the internal control system.</p> <p>III. III. Establish or amend procedures involving significant financial operations and acts, including the acquisition or disposal of assets, engaging in derivative transactions, loans to others, provision of endorsement or guarantee to others according to Article 36-1 of the Securities and Exchange Act.</p> <p>IV. Matters involving the interests of directors.</p> <p>V. Transactions of significant assets or derivatives.</p> <p>VI. Significant loans or provision of endorsement or guarantee.</p> <p>VII. Offering, issuance, or private offering of securities in equity nature.</p> <p>VIII. Appointment, dismissal, or remuneration of CPAs.</p> <p>IX. Appointment and</p>	Minor amendments to wording. Amended according to the amendments to Article 193-1 of the Securities Exchange Act.

Amended Provisions	Current Provisions	Description
<p>X. Annual financial report and Q2 financial reports <u>signed or affixed seals by the Chairman, managers, and chief accountant to be certified by CPAs</u> °</p> <p>XI. Significant matters stated by other companies or competent authorities.</p>	<p>dismissal of chief of finance, accounting, or internal audit.</p> <p>X. Annual financial report and <u>interim</u> financial report.</p> <p>XI. Significant matters stated by other companies or competent authorities.</p>	
<p>Article 27-1: When the Company has earnings from the final account for the year, it shall pay taxes, compensate losses, and appropriate 20% of the balances as the statutory surplus reserve; however, this shall not apply when the statutory surplus reserve has reached the capital of the Company. Then, the Company shall appropriate or revers the special surplus reserve according to the law; when there are still remaining balances, <u>they may be combined with the accumulated unappropriated earnings of the period and the adjustments to the unappropriated earnings at the end of the year</u>, and the board of directors shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for determination. <u>For the abovementioned proposal for earning distribution, the board of directors is authorized to make the resolution, with the consent from more than half of the attending directors at a meeting with more than two-thirds of the directors attending, to distribute the entire or partial dividends and bonuses in cash and report it to the shareholders' meeting.</u> To comply with the sustainable development of the Company, improve financial planning, increase the capita use efficiency, and protect the interests of investors, the Company adopts the remaining dividend policy, which primarily appropriates the earning for distribution according to the requirements in the preceding paragraph after measuring the annual capital requirement with reference to the capital budget plan</p>	<p>Article 27-1: When the Company has earnings from the final account for the year, it shall pay taxes, compensate losses, and appropriate 20% of the balances as the statutory surplus reserve; however, this shall not apply when the statutory surplus reserve has reached the capital of the Company. Then, the Company shall appropriate or revers the special surplus reserve according to the law; when there are still remaining balances, combine the balances with the cumulative undistributed earnings from prior years, and the board of directors shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for determination. To comply with the sustainable development of the Company, improve financial planning, increase the capita use efficiency, and protect the interests of investors, the Company adopts the remaining dividend policy, which primarily appropriates the earning for distribution according to the requirements in the preceding paragraph after measuring the annual capital requirement with reference to the capital budget plan of the Company in the future; the ratio of dividend distribution in cash, in principle, shall be no less than 25% of the total dividends. However, when laws and regulations or the competent authority otherwise stated the requirements or restrictions regarding the distribution of dividends, the Company shall comply with such requirements and shall not be restricted by the</p>	<p>To simplify the procedures for distributing dividends and bonuses in cash by public companies, according to paragraph 5, Article 240 of the Company Act enacted on November 1, 2018, the distribution of dividends and bonuses by public companies may stated that the board of directors is authorized to distribute all or partial dividends and bonuses by passing a special resolution to make distributions in cash and report to the shareholders' meeting in the Articles of Incorporation.</p>

Amended Provisions	Current Provisions	Description
<p>of the Company in the future; the ratio of dividend distribution in cash, in principle, shall be no less than 25% of the total dividends. However, when laws and regulations or the competent authority otherwise stated the requirements or restrictions regarding the distribution of dividends, the Company shall comply with such requirements and shall not be restricted by the requirements in the preceding paragraph.</p>	<p>requirements in the preceding paragraph.</p>	
<p>Article 30: The Articles were established on March 20, 1963. The 1st amendment was made on March 23, 1964. The 2nd amendment was made on March 30, 1968. The 3rd amendment was made on October 6, 1978. The 5th amendment was made on June 15, 1978. The 6th amendment was made on April 28, 1981. The 7th amendment was made on October 19, 1981. The 8th amendment was made on May 16, 1984. The 9th amendment was made on June 13, 1985. The 10th amendment was made on June 11, 1991. The 11th amendment was made on November 30, 1994. The 12th amendment was made on May 3, 1996. The 13th amendment was made on May 1, 1997. The 14th amendment was made on June 16, 1999. The 15th amendment was made on June 16, 1999. The 16th amendment was made on July 23, 1999. The 17th amendment was made on January 27, 2000. The 18th amendment was made on May 15, 2000. The 19th amendment was made on April 30, 2001. The 20th amendment was made on May 22, 2002. The 21st amendment was made on June 11, 2004. The 22nd amendment was made on June 10, 2005. The 23rd amendment was made on June 20, 2006. The 24th amendment was made on June 13, 2008. The 25th amendment was made on June 17, 2010. The 26th amendment was made on June 10, 2011. The 27th amendment was made on June 15, 2012. The 28th amendment was made on June 14,</p>	<p>Article 30: The Articles were established on March 20, 1963. The 1st amendment was made on March 23, 1964. The 2nd amendment was made on March 30, 1968. The 3rd amendment was made on October 6, 1978. The 5th amendment was made on June 15, 1978. The 6th amendment was made on April 28, 1981. The 7th amendment was made on October 19, 1981. The 8th amendment was made on May 16, 1984. The 9th amendment was made on June 13, 1985. The 10th amendment was made on June 11, 1991. The 11th amendment was made on November 30, 1994. The 12th amendment was made on May 3, 1996. The 13th amendment was made on May 1, 1997. The 14th amendment was made on June 16, 1999. The 15th amendment was made on June 16, 1999. The 16th amendment was made on July 23, 1999. The 17th amendment was made on January 27, 2000. The 18th amendment was made on May 15, 2000. The 19th amendment was made on April 30, 2001. The 20th amendment was made on May 22, 2002. The 21st amendment was made on June 11, 2004. The 22nd amendment was made on June 10, 2005. The 23rd amendment was made on June 20, 2006. The 24th amendment was made on June 13, 2008. The 25th amendment was made on June 17, 2010. The 26th amendment was made on June</p>	<p>Added the date of amendment.</p>

Amended Provisions	Current Provisions	Description
2014. The 29 th amendment was made on June 20, 2014. The 30 th amendment was made on June 8, 2016. The 31 st amendment was made on June 10, 2020. <u>The 32nd amendment was made on May 27, 2022.</u>	10, 2011. The 27 th amendment was made on June 15, 2012. The 28 th amendment was made on June 14, 2014. The 29 th amendment was made on June 20, 2014. The 30 th amendment was made on June 8, 2016. The 31 st amendment was made on June 10, 2020.	

Appendix I

Rules of Procedures for Shareholders' Meetings of ShinKong Insurance Co., Ltd.

Article 1

Except for otherwise stated in laws or regulations or Articles of Incorporation, the rules of procedures for shareholders' meetings of the Company shall be subject to the requirements under the Rules.

Article 2

Except for otherwise stated in laws or regulations, shareholders' meetings of the Company shall be convened by the board of directors.

The Company shall prepare the electronic files of the notice to convene the shareholders' meeting, proxy form, as well as reasons and descriptions related to the proposals for ratification, proposal for discussion, election or dismissal of Directors, and other proposals, and upload such files to the MOPS 30 days or 15 days before the regular Shareholders' Meeting or the special shareholders' meeting, respectively. Also, the Company shall prepare the electronic files of the meeting handbook and supplementary information of the shareholder's meeting and submit them to the MOPS 21 days or 15 days before the regular Shareholders' Meeting or the special shareholders' meeting, respectively. The meeting handbook and supplementary information of the shareholder's meeting shall be duly prepared 15 days before the shareholders' meeting for shareholders to claim; they shall be placed at the Company and the professional stock affairs agency appointed by the Company, and shall be distributed at the site of the shareholders' meeting.

The notice and announcement shall set out the reason for convening the meeting: When agreed by the counterparty, the notice may be made via electronic methods.

The election or dismissal of Directors, changes in Articles of Incorporation, capital reduction, application for the delisting, non-competition of Directors, capital increase from earning, capital increase from reserves, dissolution, merger, spin-off of the Company, or matters under subparagraphs in paragraph 1, Article 185 of the Company Act, and matters stated in Article 26-1, Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be stated in the reason for convening the meeting and the major content shall be described; such matters shall not be proposed as extempore motions.

When the reason for convening the shareholders' meeting has set out the re-election of Directors and stated the date of assuming office, after the completion of the re-election at the shareholders' meeting, the same meeting may not alter the date of assuming office through extempore motions or other methods.

Shareholders holding 1% of the total issued shares and above may make up to one proposal for the regular Shareholders' Meeting of the Company; any proposals more than one proposal will not be included in the agenda. Furthermore, the Board shall exclude proposals made by shareholders that have circumstances stated in subparagraphs of paragraph 4, Article 172-1 of the Company Act.

The Company shall announce the acceptance of shareholders' proposals, written or electronic acceptance method, acceptance venue, and acceptance period before the book closure date prior to the convening of the regular Shareholders' Meeting; the acceptance period shall not be less than 10 days.

Any proposal made by a shareholder shall be up to 300 words; the part exceeding 300 words will not be included in the proposal. The proposing shareholder shall attend the regular Shareholders' Meeting in person or by engaging a proxy and participate in the discussion of the proposal.

The Company shall notify the proposing shareholder of the handling results before the notice date for the convening of the shareholders' meeting, and the proposal stated hereof shall be specified on the meeting notice. For shareholders' proposals not included in the agenda, The Board shall describe the reason why such proposals were not included in the agenda.

Article 3

For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given Shareholders' Meeting, and shall deliver the proxy form to the Company before 5 days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the

cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4

The venue for a Shareholders' Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.

Article 5

The Company shall specify in its Shareholders' Meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 6

If a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of the Chairperson, the vice Chairperson shall act in place of the Chairperson; if there is no vice Chairperson or the vice Chairperson also is on leave or for any reason unable to exercise the powers of the vice Chairperson, the Chairperson shall appoint one of the Directors to act as chair, or, if there are no Directors as appointed, a Director shall be elected among themselves to act as the Chairperson.

When a Director serves as chair, as referred to in the preceding paragraph, the Director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

If a Shareholders Meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders Meeting in a non-voting capacity.

Article 7

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8

Attendance at Shareholders Meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders

still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Taiwan Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Taiwan Company Act.

Article 9

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 10

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 11

Voting at a shareholders meeting shall be calculated based the number of shares

With respect to resolutions of Shareholders Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the Taiwan competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Taiwan Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Taiwan Company Act and in the Company's Memorandum and Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 13

The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected, and the names of those not elected as Directors and the numbers of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

Article 15

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable Taiwan laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Taiwan Company Act.

Article 18

The "Rules" will be implemented after being approved by the Shareholders' Meeting. Subsequent amendments thereto shall be handled in the same manner.

Resolved in the special Shareholders' Meeting on 11.30.1994.
Amended in the regular Shareholders' Meeting on 05.22.2002.
Amended in the regular Shareholders' Meeting on 06.13.2008.
Amended in the regular Shareholders' Meeting on 06.08.2016.
Amended in the regular Shareholders' Meeting on 06.10.2020.
Established at the regular shareholders' meeting on 07.13.2021.

Appendix II (After Amendments)

ShinKong Insurance Co., Ltd. Sustainable Development Best Practice Principles

Chapter 1 General

Article 1 To realize practices of corporate social responsibility and facilitate the advances of economy, environment, and society to achieve the target of sustainable development, ShinKong Insurance Co., Ltd. (the “Company”) established the Principles with reference to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” to manage the risks to and its effects on the economy, environment, and society.

Article 2 When engaging in corporate operations, the Company actively fulfills sustainable development to keep itself aligned with the international development trend, improve the economic contributions to the nation, and improve the living quality of employees, communities, and society through fulfilling the responsibilities as a corporate citizen.

Article 3 When fulfilling sustainable development, the Company shall be aware of the interests of stakeholders, value factors of environment, society, and corporate governance while seeking sustainable operations and profits, and include such factors into the corporate management policies and operating activities.
The Company shall carry out risk evaluations for environmental, social, and corporate governance issues related to corporate operations based on the principle of materiality.

Article 4 Regarding the practices of sustainable development, the Company shall, the Company shall perform according to the following principles:

- I. Implement corporate governance.
- II. Develop the sustainable environment.
- III. Maintain public welfare.
- IV. Reinforce sustainable development information disclosure.

Article 5 The Company shall consider domestic and foreign sustainable aspects development trend, the connectivity with the core businesses of the enterprise, and effects of the overall operating activities on stakeholders to establish policies, systems, or relevant management policies of sustainable aspects and substantial promoting plan; after being approved by the board of directors, submit them to the shareholders’ meeting for reporting .
When any shareholders submit proposals involving sustainable development, the Company’s board of directors shall make due considerations regarding whether to include the proposals into the agenda of the shareholders’ meeting.

Chapter 2 Implementation of Corporate Governance

Article 6 The Company shall comply with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective governance structure and relevant ethical standards, improving corporate governance.

Article 7 Directors of the Company shall exert the obligation of care as a good administrator, supervise the enterprise in fulfilling sustainable development, and examine the implementation achievements and make continual improvements at all times to ensure the realization of the sustainable development policies.

When fulfilling sustainable development, the board of directors of the Company shall include the following matters:

- I. Establish policies, systems, or relevant management policies regarding sustainable development.
- II. Include sustainable development into the Company’s operating activities and development direction.

III. Ensure the timeliness and accuracy of information disclosures related to sustainable development.

Economic, environmental, and social issues arising from the operating activities of the Company shall be handled by the senior management under the authorization of the board of directors, and the senior management shall report to the board of directors regarding the handling status; the operating procedures and responsible personnel shall be stated.

Article 8 The Company shall organize educational training for the performance of sustainable development, including promoting matters stated in paragraph 2 in the preceding Article.

Article 9 To improve the management of sustainable development, the Company shall establish a dedicated (part-time) unit to promote sustainable development that is responsible for the policies, systems, or relevant management policies for sustainable development, and the proposition and execution of substantial promotional plan, and it shall report to the board of directors. The Company shall establish reasonable remuneration policies to ensure the remuneration planning is align with the organization's strategical targets and stakeholders' interests.

The employee's performance evaluation system shall be combined with the sustainable development policies, and there shall be accurate and effective reward and punishment systems in place.

Article 10 The Company shall respect the interests of stakeholders when identifying stakeholders of the Company shall set up a stakeholder's section on the website of the Company. It shall understand the reasonable expectations and requirements of stakeholders through appropriate communication methods and duly respond to material issues of sustainable development of their concerns.

Chapter 3 Develop sustainable environment

Article 11 The Company shall comply with regulations related to the environment and relevant international standards to duly protect the natural environment; furthermore, when executing the operating activities and internal management, the Company shall be committed to achieve the target of sustainable environment.

Article 12 The Company shall be committed to improving the utilization rate of various resources and use renewable suppliers with minor impacts on burden to the environment to allow the sustainable use of resources on earth.

Article 13 The Company shall establish the appropriate environmental management system based on its industrial features, and the system shall include the follows:

- I. Collect and evaluate sufficient and real-time information regarding effects of operating activities on the natural environment.
- II. Establish measurable sustainable environment targets and regularly examine the continuity and relevant of its development.
- III. Establish substantial plan or action plan, and other execution measures and regularly examine the effects of the operations.

Article 14 The Company shall have the environmental management unit or personnel in place to prepare, promote, and maintain relevant environmental management systems and substantial action plans, and shall regularly organize environmental education programs for the management and employees.

Article 15 The Company shall consider the effects of operations on the ecological benefits, facilitate and promote the concepts of sustainable consumption, and engage in R&D, procurement, production, operation, and services, and other operating activities based on the following principles to minimize the impacts of the Company's operations on the natural environment and human:

- I. Reduce resource and energy consumption of products and services.
- II. Reduce the emission of pollutants, toxic substances, and wastes, and duly process wastes.
- III. Improve the recyclability and reuse of raw materials or products.

- IV. Allow renewable resources to be used with sustainability of the maximum level.
- V. Extend the duration of products.
- VI. Improve efficacies of products and services.

Article 16 To improve the using efficiency of water, the Company shall duly and sustainably use water and establish relevant management measures.

The Company shall build and reinforce relevant environmental protection processing facilities to avoid polluting water, air, and lands, and it shall, with its greatest efforts, minimize adverse effects on human health and environment and adopt the best practicable measures of pollution control and to control technologies.

Article 17 The Company shall be aware of the effects of climate change on its operating activities and establish energy-saving, carbon dioxide reduction, and GHG reduction strategies of the Company based on the operating status to minimize the impacts of the Company's operating activities on climate change.

Chapter 4 Maintain Public Welfare

Article 18 The Company shall comply with relevant regulations and comply with International Bill of Human Rights (i.e., gender equality, working right, and prohibition of discrimination). To fulfil its responsibility in protecting human rights, the Company shall establish relevant management policies and procedures, including the follows:

- I. Propose the corporate human right policies or statement.
- II. Evaluate the effects of the Company's operating activities and internal management on human rights and establish corresponding procedures.
- III. Regularly examine the substantial effects of the corporate human right policies or statement.
- IV. When involving infringement to human rights, the Company shall disclose the procedures for stakeholders involved.

The Company shall comply with the labor human rights generally recognized internationally (i.e., freedom of association, group negotiation right, care for the disadvantaged groups, prohibition of child labor, elimination of various forms of forced labor, elimination of employment discrimination) and confirm its human resource utilization policy is free of any differentiated treatment due to gender, ethnicity, social and economic level, age, marriage, and family condition, to realize the equality and fairness in employment conditions, remunerations, benefits, training, evaluations, and promotion opportunities.

For circumstances harming labor interests, public companies shall provide effective and appropriate whistle-blowing systems to ensure the equality and transparency during the course of whistle-blowing. The whistle-blowing channel shall be simple, convenient, and smooth, and it shall provide appropriate response to reports from employees.

Article 19 The Company shall provide information to employees for them to understand the labor laws of the countries where they locate and the rights they are entitled to.

Article 20 The Company shall provide a working environment of safety and health, including the provision of necessary health and first-aid facilities, and be committed to minimizing hazardous factors for the safety and health of employees to prevent occupational disasters. The Company shall organize safety and health educational training for employees.

Article 21 The Company shall create a favorable environment for the career development of employees and establish effective career ability development training plan.

The Company shall establish and implement reasonable employee benefit measures (including remuneration, leaves, and other benefits), and appropriately reflect the operating performances or achievements in the policies for employees' remuneration to ensure the recruitment, retention of, and encouragement to human resources, achieving the target of sustainable operations.

Article 22 The Company shall establish a channel to regularly communicate with employees, allowing employees to have the right to be informed and express their opinions regarding the operating management activities and decision-making of the Company.

The Company shall respect the right of employee representative in exercising the negotiation right regarding working conditions and provide employees with necessary information and hardware facilities to facilitate the negotiation and cooperation between the employer, employees, and employee representatives.

The Company shall adopt reasonable methods to notify employees of business changes that may cause significant effects on employees.

Article 23 The Company shall be responsible for products and services and value marketing ethics. Regarding various procedures, the Company shall ensure the transparency and safety of product and service information, establish and disclose its policies of consumers' rights, and implement such policies in its operating activities to prevent the products or services from harming consumers' rights, health, and safety.

Article 24 The Company shall ensure the quality of its customer privacy, products and services according to the governmental regulations and specifications related to the industry. For marketing and labeling of its products and services, the Company shall comply with relevant regulations and international standards, and there shall be no deceit, misguidance, fraud, or any other acts that damages consumers' trust or harms consumers' interests.

Article 25 The Company shall evaluate and manage various risks that may cause the interruption of its operations and minimize its impacts on consumers and society. The Company shall provide transparent and effective complaint procedures to consumers for its products and services, fairly and instantly process consumers' complaint, and comply with Personal Data Protection Act and relevant regulations to duly respect consumers' privacy and protect the personal information provided by consumers.

Article 26 The Company shall evaluate the effects of its procurement on the environment and society of the community where the source of supply locates and work with suppliers to jointly realize corporate social responsibility. Before any business dealing, the Company shall avoid performing transactions with those violating its corporate social responsibility policies.

Article 27 The Company shall evaluate the effects of the Company's operations on the community and engage human forces from where the Company's operation locates to improve the community' recognition. The Company shall participate in the events of civil organizations, public welfare groups, and local institutions related to community development and community education to facilitate the community development through business activities, donation, corporate volunteer services, or other professional public welfare services.

Chapter 5 Improve sustainable development information disclosure

Article 28 The Company shall disclose its information according to relevant regulations and Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and shall fully disclose information related to sustainable development that is relevant and reliable to improve information transparency.

The information related to sustainable development disclosed by the Company is as follows:

I. Policies, systems, or relevant management policies of sustainable development resolved by the board of directors and substantial promoting plan.

II. Risks and effects of factors of implementing corporate governance, developing sustainable environment, and maintaining public welfare on the operations and financial condition of the Company.

III. The performance promotional targets, measures, and implementation achievements established by the Company for sustainable development.

IV. Substantial stakeholders and issues they concern.

V. Disclosure on the management and performance information of significant environmental and social issues by major suppliers.

VI. Other information related to sustainable development.

Article 29 When preparing the sustainability report, the Company shall adopt standards or guidelines widely recognized internationally to disclose the status of promoting sustainable development, and shall obtain the assurance or guarantee from a third party to improve the credibility of information according to laws and regulations. The content shall include:

I. Implement sustainable development policies, systems or relevant management policies and substantial promoting plan.

II. Substantial stakeholders and issues they concern.

III. Execution performances and examination of the Company in implementing corporate governance, developing sustainable environment, maintaining public welfare, and facilitating economic development.

IV. Future improvement directions and targets.

Chapter 6 Appendices

Article 30 The Company shall keep abreast of the domestic and foreign development of standards related to sustainable development and the changes in the corporate environment to examine and improve the sustainable development system, so as to improve the achievements of performing sustainable development.

Article 31 The Principles were implemented after being approved at the Board meeting through a resolution and submitted to the shareholders' meeting for report; the same shall apply upon any amendment.

Established on December 24, 2015

Amended on March 9, 2022

Appendix III (After amended)

ShinKong Insurance Co., Ltd. “Procedures for Use of Funds in Special Projects, Public Utilities, and Social Welfare Enterprises”

Enacted by: Investment Department

Article 1: Purpose

The “Regulations” is formulated in accordance with the “Regulations Governing Use of Insurer’s Funds in Special Projects, Public Utilities and Social Welfare Enterprises” (hereinafter referred to as the “Procedures”) in order to enhance the investment performance of special projects and public investment, and reduce investment risks.

Article 2: Investment scope and quota specification

I. Investment scope:

(I) Project Utilization:

The project utilization of the Company’s funds shall be subject to the investments or loans regarding the following matters:

1. Emerging and key strategic projects approved by the government.
2. Venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses or private equity funds that meet the criteria specified by the competent authority and support projects in government policies.
3. Industrial zone or regional development projects approved by the government.
4. Purchase of houses by the houseless.
5. Cultural and educational conservation and construction.
6. Funeral facilities not distributed as public utilities listed in Article 3 of the Regulations.
7. Other use in line with the government policies.

(II). Public investment:

To make public investments in accordance with the policies, the Company’s funds are subject to the investments in the following matters:

1. Transportation facilities of highways, railroads, harbors, parking lots and airports.
2. Facilities of public utilities, such as water, electricity, telecommunications, etc.
3. Construction of social housing and elderly residence projects.
4. Environmental protection facilities, including river, sewerage, garbage and waste disposal, and funeral facilities, excluding cemeteries and columbarium.
5. Construction of public-welfare facilities for public recreation.
6. Other public utilities as promoted by the government or in line with the government’s construction projects.

The Company currently carries out public investments according to requirements under item 6. According to the requirements of the organizer, for those who participate by way of investments in equity and receive real estate (residence) allocated by the investee in return, the percentage of the overall capital contribution ratio made by the Company multiplied by the part of real estate (residence) distributed by the investees in return over the real estate area of the entire project shall not exceed 10%, and the Company may not obtain the ownership of the residence. However, this shall not apply to circumstances when the residence is only for lease.

(III). Social welfare business

For investments in social welfare businesses by using funds of the Company, the investments shall be made to businesses established upon receiving the approval from the competent authority for the targeted business according to the law with major purposes of organizing social assistance, welfare services, national employment, social insurance, and medical healthcare, and other social welfare works, as well as facilities required by the operating businesses.

II. Principles for investment targets and exceptions

(I). Principles:

Targets for investments of project utilization, public and social welfare businesses shall possess profitability. Except for cooperating with the development, construction, provision of loans, and investment in line with the government's policies, or making capital construction to the establishment of long-term care service institutions according to the law, investments shall be subject to the company limited registered according to the Company Act.

(II). Exception: (in accordance with requirements under paragraph 2, Article 5 of the Regulations)

Targets of the investments in project utilization and public investments by the Company that comply with one of the following requirements may engage in limited partnerships for those being established and registered according to the Limited Partnership Act, without being subject to the restrictions relating to the company limited in the preceding subparagraph:

1. The target is included in the venture capital investment industries for the consultancy and assistance provided by the competent central authority according to "Regulations for the Guidelines for Venture Capital Investment Industry."
2. The target is a private equity fund included in subparagraph 2, Article 2 of the Regulations.
3. The target is culture and education preservation and construction stated in subparagraph 5, Article 2 of the Regulations.
4. Other targets in accordance with the government's policies and comply with the requirements of the competent authority.

The abovementioned investments made with the funds of the Company shall be subject to becoming a limited partner of the limited partnership, and shall be subject to the following conditions:

1. Having made relevant self-disciplinary specifications, made declarations to the competent authority for archiving through the insurance association, and established internal operating specifications.
2. The ratio of regulatory capital to risk-weighted assets for the latest period shall comply with paragraph 1, Article 143-4 of the Insurance Act.

III. Investment quota:

(I). Investment limit control:

1. Overall limit control:

The investment limit for project utilization or public and social welfare businesses by the Company shall not exceed 10% of the Company's funds.

2. Special item limit control:

Regarding the investment limit for targets set out in paragraph 2, Article 5 of the Regulations, the amount in aggregate shall not exceed 2% of the Company's funds.

(II). Investment limit control for a single target:

1. Principle: The total investments in a single target shall not exceed 5% of the Company's funds in aggregate.
2. Exception: (exclude the applications mentioned above)
Targets apart from those mentioned in paragraph 2, Article 5 of the Regulations.

(III). Investment ratio or capital contribution ratio:

The investment ratio or capital contribution ratio of the Company in targets shall comply with the following requirements:

1. "Venture capital investment industries" and "others in compliance with the government's policies":
When the target is in the "venture capital investment industries" and "those set out in subparagraph 4, paragraph 2, Article 5 of the Regulations," the ratio shall not exceed 25% of the paid-in capital or the paid-in capital contribution.
2. Private equity fund:
(1) Principle:
When the target is a "private equity fund" set out in subparagraph 2, Article 2 of the Regulations, the ratio shall not exceed 20% of the paid-in capital or the paid-in capital contribution of the target.
(2) Exception:
However, for those complying with the requirements of the competent authority, the ratio shall not exceed 25% of the paid-in capital or the paid-in capital contribution of the target.

3. “Public investment” and “social welfare business”

(1) Principle:

When the target is in the businesses set out in items under Articles 3 and 4 of the Regulations, the ratio shall not exceed 45% of the paid-in capital or the paid-in capital contribution of the target.

(2) Exception:

However, this shall not apply to those complying with the following conditions and reported to the competent authority for approval:

A. The ratio of regulatory capital to risk-weighted assets for the latest period complies with paragraph 1, Article 143-4 of the Insurance Act.

B. The investment is approved by the board of directors with independent directors established; an audit committee shall also be in place.

C. There is no significant deficiency when executing various capital utilization operations and internal control procedures or when the deficiencies are corrected with the description and certifying documents recognized by the competent authority within the latest year.

D. Those with no material punishment or disposal imposed by the competent authority within the latest year. However, this shall not apply to those with their violations corrected and being recognized by the competent authority.

The material punishment or disposal mentioned refers to the fines amounted to three times the minimum statutory amount and above imposed for a single act of violation stated in subparagraphs 1 and 13 in the material punishment and disposal measures set out in subparagraphs 1 to 12 in Article 2 of the Regulations for External Disclosures Related to Material Punishment Measures Arising from Violations of Financial Laws and Regulations Imposed by the Financial Supervisory Commission.

E. For non-initial investment, when the paid-up capital or the paid-up capital contribution has reached 45% of the investment in the target and above, except when the target is a private institution stated in the Act for Promotion of Private Participation in Infrastructure Projects (hereinafter the “Act for Promotion and Participation”), there shall be no accumulated loss in the financial statements for the latest period.

(3) For securitization products issued targeting the items in Articles 3 and 4 in the Regulations, investments may be made within 10% of the total issued amount of the securitization product without being restricted by the investment ratio in the preceding subparagraph.

4. Others not stated

For targets other than those stated in the above points, the ratio shall not exceed 10% of the paid-in capital or the paid-in capital contribution of the target.

5. Prohibition:

The Company prohibits the investments in a single target exceeding half of the paid-up capital or half of the total number of issued shares with voting rights of the target to comply with the application of Article 8 of the Regulations.

Article 3: Appraisal and operating procedures

I. Report to the competent authority for approval

The investment in special projects, public utilities and social welfare enterprises is handled by having the Investment Department prepared an analysis report in accordance with market conditions and the “Regulations Governing Use of Insurer’s Funds in Special Projects, Public Utilities and Social Welfare Enterprises.” An investment must be approved by going through the company’s internal approval process, approved by the board of directors, and approved by the government authority in advance.

According to Article 9 of the Regulations, when the Company engages in project utilization or public and social welfare business investments, it shall enclose the following books and documents and report to the competent authority for approval:

(I). Investment plan and objective (including purpose, method, market analysis, cost analysis, short-to-long-term investment efficacy analysis, shareholder or the limited partnership’s partner structure and operating team). However, this shall not apply to business items stated in Articles 3 and 4 of the Regulations, with an assessment opinion issued by a CPA for the

- appropriate financial assessment regarding the investment project and a legal opinion issued by a certified lawyer regarding its legality enclosed.
- (II). Breakdown for project capital utilization or investment in public and social welfare businesses and its performance analysis (including the investment performance analysis and descriptions for each period).
- (III). Financial reports of the target. However, this shall not apply to targets that are established for less than one year.
- (IV). When the target is a limited partnership stated in paragraph 2, Article 5 of the Regulations, the summary of the drafted limited partnership contract.
- (V). Resolutions made at the meeting of the board of directors or its authorization documents.
- (VI). Post-investment management methods and assessments and planning for the corresponding measures. When the target is a business stated in Articles 3 and 4 of the Regulations that shall have an assessment regarding the impacts on the environment implemented according to the Environmental Impact Assessment Act, the Company shall otherwise describe the post-investment management methods regarding the impact assessment.
- (VII). When the target complies with those stated in subparagraph 2, Article 2 of the Regulations, its fundraising planning and investment decision-making system, post-investment management, information disclosures, and conflicts of interest prevention systems.
- (VIII). When the target is a business stated in Articles 3 and 4 of the Regulations, the list of the appointed directors and supervisors, as well as the descriptions for the management system that duly exercises the functions, and the significant matter decision-making and post-investment management systems; when the number of all directors being appointed by insurance companies reaches half of the directors' seats, description documents certifying the independence of directors in compliance with conditions stated in paragraph 4, Article 6 of the Regulations shall be otherwise enclosed.
- (IX). Review documents from relevant authorities.
- (X). Information designated by other competent authorities.

For the applications of investments in project utilization or public and social welfare businesses by the Company, the applications shall be deemed as approved when the competent authority fails to express its dissenting opinion, or requests supplementations or descriptions within 15 working days from the second day to the date on which the application documents are served.

When the competent authority requests supplementations or descriptions regarding the application in the preceding paragraph, the applications shall be deemed as approved when the competent authority fails to express its dissenting opinion within 15 working days from the second day to the date on which the supplemented information or the description documents are served.

When the Company invests in businesses stated in Articles 3 and 4 of the Regulations, any changes to the appointed directors and supervisors shall be reported to the competent authority for archiving.

II. Direct investment

※Engage in investments in project utilization or public and social welfare businesses

When complying with any of the following circumstances, the Company may, within the quota stated in the "Regulations" and resolved by the board of directors, handle the investment in special projects, public utilities and social welfare enterprises directly. However, when the Company makes investments according to Articles 3 and 4 of the Regulations, this shall not apply to targets with the environmental impact assessment ongoing during the development stage according to the Environmental Impact Assessment Act.

- (I). For investments approved by the competent authority, those participating in the capital increase in cash without exceeding the initial investment ratio or capital contribution ratio.
- (II). When the target is included in the venture capital investment industries consulted and assisted by the competent central authority of venture capital investment industries according to the Regulations for the Guidelines for Venture Capital Investment Industry, is a private equity fund stated in subparagraph 2, Article 2 and subparagraph 2, paragraph 2, Article 5 of the Regulations, a public investment stated in Article 3 of the Regulations or those stated in subparagraph 4, paragraph 2, Article 5 of the

Regulations, and the total investment in a single target is below NT\$500 million and below 5% of the interests attributable to owners of the Company.

(III). When the target is not a business stated in the preceding subparagraph, and the total investment in the single target is below NT\$50 million and below 2% of the interests attributable to owners of the Company.

(IV). Other circumstances complying with requirements of the competent authority.
When engaging in investments stated in the preceding paragraph, the Company's ratio of regulatory capital to risk-weighted assets for the latest period shall comply with paragraph 1, Article 143-4 of the Insurance Act.

※Projects carried out according to the Facilitation and Participation Act

When the target is in a project carried out according to the Facilitation and Participation Act and complies with the following investment amount and conditions, the investment may be made directly. However, when the Company engages in investments according to Articles 3 and 4 of the Regulations, this shall not apply to targets with the environmental impact assessment ongoing during the development stage according to the Environmental Impact Assessment Act.

(I). When the total investments and the interests attributable to owners of the Company in a single project are NT\$1 billion and 10% and below, respectively, and the following conditions are met:

1. The Company's ratio of regulatory capital to risk-weighted assets for the latest period shall comply with paragraph 1, Article 143-4 of the Insurance Act.
2. The investment project has documents stated in Article 9 of the Regulations regarding its investment precondition, and were reported to and approved by the board of directors through a resolution.

(II). When the total investments and the interests attributable to owners of the Company in a single project are NT\$5 billion and 10% and below, respectively, and the following conditions are met:

1. When the Company's financial conditions, corporate governance, and internal control comply with the following conditions:
 - (1) The Company's ratio of regulatory capital to risk-weighted assets for the latest period and the average of regulatory capital to risk-weighted assets for the past two years reaching 250% and above.
 - (2) The investment project has documents stated in Article 9 of the Regulations regarding its investment precondition, and were reported to and approved by the board of directors through a resolution that received consent from more than half of the attending directors at a meeting with more than two-thirds of directors attending.
 - (3) Independent directors and the audit committee are established.
 - (4) There is no significant deficiency when executing various capital utilization operations and internal control procedures or when the deficiencies are corrected with the description and certifying documents recognized by the competent authority within the latest year.
 - (5) There is no significant deficiency when executing various capital utilization operations and internal control procedures or when the deficiencies are corrected with the description and certifying documents recognized by the competent authority within the latest year.
2. The investment project complies with the conditions regarding the financial standards and systems for guarantee or risk allocation and dispute handling by the competent authority of the investment project stated by the insurance association that is reported to the competent authority for archiving and fulfills the following conditions:
 - (1) The Company's ratio of regulatory capital to risk-weighted assets for the latest

period shall comply with paragraph 1, Article 143-4 of the Insurance Act.

- (2) The investment project has documents stated in Article 9 of the Regulations regarding its investment precondition, and were reported to and approved by the board of directors through a resolution.

For investments performed according to the Facilitation and Participation Act, the total investment refers to the total sum of royalties, building costs, and rental payable by the Company according to agreements in the investment contract.

For investments made by the Company according to paragraphs 1 and 3, Article 10 of the Regulations, documents stated in paragraph 1, Article 9 of the Regulations shall be available for the competent authority to perform post-audit, and the chief of legal compliance at the headquarters shall issue an opinion that complies with laws, regulations, rules, and internal specifications, and sign for assuming the responsibility. The competent authority shall regularly inspect the investments of the Company in project utilization or public and social welfare businesses as stated in paragraphs 1 and 3, Article 10 of the Regulations, and impose restrictions or carry out reviews subject to the social and economic circumstances and its actual performance.

III. Execution unit

The Investment Department of the company is the execution unit to handle the investment in special projects, public utilities and social welfare enterprises.

Article 4: Procedure for determining trading conditions

The methods and references of the company in determining the price of investment in special projects, public utilities and social welfare enterprises are as follows:

- I. Price determination method: Refer to the market conditions or analyze the required analysis items in accordance with the “Regulations” in order to form the price determination method.
- II. References: Implement one of the following methods according to the nature of the investment project.
 - (I) Relevant financial and operating reports of the invested company.
 - (II) According to the “Regulations,” it is possible to refer to a financial evaluation opinion issued by a certified public accountant on the adequacy of the investment project and a legal opinion on the legality of the investment project issued by an attorney.
 - (III) An appraisal report of professional appraisal agency

Article 5: Internal control system

The company’s internal control system for investment in special projects, public utilities and social welfare enterprises is as follows:

- I. Risk management measures: It is to be handled in accordance with the company’s “Regulations Governing Investment Risk.”
- II. Regular evaluation method: Perform annual evaluation based on the financial information provided by the invested company, and it is to be performed regularly in accordance with the asset evaluation operations of the company’s internal control system risk management operations.
- III. Performance analysis: Measure performance on an absolute return basis.

Article 6: Post-investment management methods

- I. Post-investment management method system.

When the Company’s and funds invested in targets stated in subparagraph 2, Article 2 of the Regulations for project utilization, the post-investment management methods shall examine the target and businesses invested directly or indirectly by it; there shall be no intervention in the dispute for the right to operation, and the matter shall be included in the contract or other agreements and documents signed.

- II. Regularly examine whether the actual investments comply with the investment plan and scope initially established, circumstances required by the competent authority and competent authorities for other targeted businesses, and assessment and planning for the countermeasures to be adopted.

Article 7: Internal audit system

- I. The audit unit shall regularly (at least once a year) audit the underlying investment, investment amount, authorization level, etc., of the investment in special projects, public utilities, and social welfare enterprises handled by the Investment Department, and whether or not it complies with the law and regulations and the requirements of the "Procedures."
- II. Relevant audit structure, audit report reporting procedures, and follow up on the corrective action are to be handled in accordance with the company's internal audit system.

Article 8: Appointment of senior managers

For the performance analysis of the investment in in special projects, public utilities and social welfare enterprises, the top executive of the investment unit is designated as the senior executive to report to the board of directors regularly.

Article 9: Director and supervisor appointment and management system for investment businesses stated in Articles 3 and 4 of the Regulations

According to paragraph 4, Article 6 of the Regulations, when the Company invests in businesses stated in Articles 3 and 4 of the Regulations and appoint half of the directors of the investee company, there shall be at least one director of independence, and the director of independence shall possess professional knowledge required for the business of the investee company, shall maintain its independence when executing businesses, and shall not have any direct or indirect interests with the Company or its affiliates.

Article 10: Other matters designated by the government authorities.

I. Application of the limitation in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act

According to paragraph 3, Article 7 of the Regulations, after the Company investing in project utilization or public and social welfare businesses, when the target complies with the investment conditions stated in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act, the investments in the target shall be subject to requirements in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act. However, when exceeding the ratio stated in subparagraphs 3 or 4, paragraph 1, Article 146-1 of the Insurance Act, except for making capital increase according to the initial investment ratio, there shall be no increase in the investment.

II. Specifications on control and subordination relationship achieved through common ownership with its stakeholders

According to paragraphs, 4 and 5, Article 7 of the Regulations, when the Company invests in targets stated in subparagraph 2, Article 2, and subparagraphs 1, 2, and 4, paragraph 2, Article 5 of the Regulations for project utilization, and the control and subordination relationship over the target is achieved through common ownership with its stakeholders or otherwise, the investment shall comply with the following conditions:

(I) The Company may not directly or, in other methods, indirectly interfere with the operating management and investment decision-making of the target and its investee companies through the target or other methods.

(II). The Company shall make a combined calculation regarding its and the target's investments in the stocks publicly issued by the single company according to the laws upon approval as stated in subparagraph 3, paragraph 1, Article 146-1 of the Insurance Act.

- III. Regarding the combined calculation for corporate stocks stated in subparagraph 3, paragraph 1, Article 146-1 of the Insurance Act mentioned in subparagraph 2 of the preceding paragraph, it is calculated according to the investment proportion of the Company in the target. When exceeding the

limit, comply with the following requirements before the exceeding circumstance is improved:

(I). The shareholding of the Company regarding the stock shall no longer increase.

(II). The target for the combined calculation of the Company shall no longer increase its shareholding of the stock.

IV .Matters not addressed in the “Procedures” shall be handled in accordance with the “Regulations” and related orders.

Article 11: Annex

The “Procedures” is implemented with the approval of the board of directors. It will also be reported to the government authority by letter for review, and submitted to the Shareholders’ Meeting. Subsequent amendments thereto shall be handled in the same manner.

Enacted on October 9, 2007
Amended on December 28, 2011
Amended on December 27, 2012
Amended on March 21, 2013
Amended on
November 13, 2014 Amended on August 27,
2015 (reported and returned) Amended on
November 19, 2016 (reported and returned)
Amended on April 19, 2017
Amended on March 9, 2022

Appendix IV(before amendment)

ShinKong Insurance Co., Ltd. – Articles of Incorporation

Chapter I General Principles

- Article 1: The company is named “SHINKONG INSURANCE CO., LTD.”
- Article 2: The businesses operation of the company is as follows:
H501021 Property insurance business
- Article 3: The company’s head office is in Taipei City, and may apply to the government authority for approval, when necessary, to establish branches throughout the country and abroad. The establishment and cancellation of branches shall be resolved by the board of directors.
- Article 4: The announcement of the company shall be made in accordance with the provisions of the Company Act.

Chapter II Shares

- Article 5: The capital stock of the company amounts to NT\$3.5 billion with 350 million shares issued at NT\$10 par; also, the board of directors is authorized to issue stock shares in installments.
- Article 6: The company’s shares are all registered, signed or sealed by three or more directors, and certified under the laws before issuance.
The company issuing the shares may be exempted from printing any share certificate, but shall register the issued shares with a central securities depository and clearing institution.
- Article 7: The company’s share affairs processing operations shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” and relevant laws and regulations.
- Article 8: The company may charge fees for issuing (replacing) new shares to shareholders due to lost or damaged shares, or due to an application filed for stock splits.
- Article 9: The book closure date for the transfer of the company’s shares is scheduled 60 days prior to the regular Shareholders’ Meeting, 30 days prior to the special Shareholders’ Meeting, or 5 days prior to the company’s distributing dividends, bonuses, and other benefits.

Chapter III Shareholders’ Meeting

- Article 10: There are two types of shareholders meetings: regular shareholders meeting and special Shareholders’ Meeting. Unless otherwise provided by the Company Act, it shall be convened by the board of directors. The regular Shareholders’ Meeting shall be convened at least once a year and shall be convened within six months after the end of each fiscal year. An special meeting will be convened lawfully, when necessary. The regular Shareholders’ Meeting notice shall specify the date, place and reason for convening the meeting with all shareholders notified 30 days in advance, or 15 days in advance if it is for an special Shareholders’ Meeting. The Shareholders’ Meeting notice can be made electronically with the consent of the counterparty. For shareholders who hold less than 1,000 shares of registered stock, the shareholders meeting notice may be replaced by a public announcement.
- Article 11: A shareholder who cannot attend the Shareholders’ Meeting for reasons may issue a proxy to have an agent attending the meeting instead. When one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- Article 12: A Shareholders’ Meeting is chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one director to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

- Article 13: The company's shareholders shall be entitled to one vote for each share held. However, the above shall not apply to those who are restricted or have no voting rights listed in Article 179, Paragraph 2 of the Company Act.
- Article 14: Unless otherwise provided by the Company Act, the resolutions of the shareholders meeting shall be with the attendance of shareholders who represent more than half of the total number of issued shares, and shall be executed with the approval of more than half of the voting rights of the shareholders present.
If the quorum is not met as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted with the consent of the attending shareholders that represent more than half of the voting rights; also, all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month.
For the tentative resolutions reached in the Shareholders' Meeting as stated in the preceding paragraph, if the attending shareholders represent one third or more of the total number of issued shares, it shall be deemed as the resolution of the proposal stated in first paragraph with the consent of the attending shareholders that represent more than half of the voting rights.
- Article 15: The resolutions of the Shareholders' Meeting shall be recorded in the minutes. The production and distribution of the minutes shall be handled in accordance with Article 183 of the Company Act.

Chapter IV Board of Directors

- Article 16: The company has nine to fifteen directors to organize the board of directors who are qualified individuals selected by the Shareholders' Meeting. The term of office is for three years and they may be reelected.
The number of independent directors in the board of directors shall not be less than three persons, and shall not be less than one fifth of the number of directors.
The selection and appointment of directors shall be processed in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act. The nomination of candidates and announcement of board directors will be handled in accordance with the Company Act, Securities and Exchange Act, and relevant law and regulations.
- Article 17: The board of directors shall have a chairman of the board elected among the directors. A board meeting is chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman or there is no vice chairman designated, the chairman shall appoint one director to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.
Directors may commission other directors to attend the board meeting with a proxy issued that illustrates the scope of authorization for the convening matters.
The aforementioned proxy is limited to one person.
The board of directors may have one vice chairman and one residing director appointed. The vice chairman and residing director shall be elected among the directors.
- Article 18: The functions and powers of the board of directors are as follows:
- I. Approval of regulations
 - II. Decision of business policy
 - III. Approval of budget and final account
 - IV. Draft of earnings distribution
 - V. Draft of capital increase and decrease
 - VI. Decision of buying/selling or mortgaging real estate
 - VII. Other laws and regulations, Articles of Incorporation, and the powers conferred by the Shareholders' Meeting
- Article 18-1: Remunerations to the company's board directors for performing their duties,

regardless of profit or loss. The board of directors is authorized to determine the remunerations according to the degree of participation in operations, the value contributed by them, and with reference to the general remuneration standard of the industry.

Article 19: The board of directors meets once every quarter, unless otherwise provided by the Company Act; the meeting is to be convened by the chairman of the board. The reason for convening the board meeting shall be specified in the notice that is to be issued to all board directors seven days in advance.

But a meeting can be called at any time when there is an emergency. The meeting notice in the preceding paragraph can be made in writing, fax, or electronically.

The resolution reached in the board meeting, unless otherwise provided by the Company Act, shall be with the attendance of more than half of the directors, and agreed by more than half of the directors present; also, the minutes of meeting shall be signed or sealed by the chairman.

Chapter V Audit Committee and other functional committees

Article 20: The company has an Audit Committee formed by all independent directors, with one of them acts as the convener and at least one of them with accounting or financial expertise.

The company may set up other functional committees lawfully.

Article 21: The powers of the Audit Committee are as follows:

- I. Enact or amend the internal control system in accordance with the provisions of Article 14-1 of the Securities and Exchange Act.
- II. Evaluate the effectiveness of the internal control system.
- III. Enact or amend the procedures for “the acquisition or disposal of assets,” derivatives transactions, loaning of funds, endorsements or guarantees for others, and other material financial acts in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
- IV. Matters involving the interests of the directors
- V. Significant asset or derivatives transactions
- VI. Significant loaning of funds, endorsements, or guarantees
- VII. Offering, issuance, or private placement of equity securities
- VIII. Appointment, dismissal or remuneration of certified public accountants
- IX. Appointment and dismissal of financial, accounting or internal audit supervisors
- X. Annual financial report and semi-annual financial report
- XI. Other major matters stipulated by the company or the government authorities

Article 22: The aforementioned exercise of powers by other functional committees and other matters to be complied with shall be handled in accordance with relevant law and regulations and the company’s Articles of Incorporation.

Chapter VI Managers

Article 23: The company has a general manager appointed who will take orders from the chairman of the board to manage the business, and may have several deputy general managers appointed to assist with the tasks. In addition, the general manager appoints the Compliance Officer who is responsible for the company’s litigation operation.

Article 24: The appointment and dismissal of the general manager and deputy general managers is carried out with the presence of more than half of the directors and resolved by more than half of the directors present.

Chapter VII Accounting

Article 25: The company’s fiscal year is from January 1 to December 31 each year. The board of directors at the end of each fiscal year shall compile the following reports for the ratification of the Shareholders’ Meeting in accordance with the legal procedure.

- I. Business report
- II. Financial statements
- III. Proposal for the distribution of earnings and appropriation for making up losses

Article 26: The company’s dividends are handled in accordance with the “Regulations for Administration of Insurance Enterprises,” but the company shall not have dividend paid with the capital when there is no profit made.

Article 27: The company may apply the profits, if any, for the distribution of remunerations to employees and directors as follows: However, if there remains accumulated loss, the company shall reserve funds for making up the loss in advance.

I. Employee remuneration shall not be less than 1%.

II. Director remuneration shall not be more than 2%.

The remuneration to employees is paid in the form of stock share or cash. The remuneration to directors is paid in the form of cash, which is to be carried out by the board of directors with the presence of more than two thirds of the directors and resolved by more than half of the directors present; also, it should be reported to the Shareholders' Meeting.

Article 27-1: If there is a surplus in the company's annual final accounts, it shall be first applied to pay taxes and make up for the losses. Then, appropriate 20% of the remaining amount as legal reserve, but when the legal reserve equals to the total capital of the company, it is not subject to this requirement. In addition, appropriate or reverse special reserve lawfully. The remaining surplus, if any, added with the accumulated undistributed surplus of the previous year shall be applied for earnings distribution, which is to be proposed by the board of directors to the Shareholders' Meeting for a resolution.

The company has adopted a residual dividend policy in order to secure the company's sustainable development, improve financial planning, enhance the efficiency of capital use, and protect the rights and interests of the investment public. The annual capital need is measured after considering the company's future capital budget plan; also, the surplus is allocated and distributed in accordance with the provision in the preceding paragraph, of which, the distribution of cash dividend should not be less than 25% of the total dividend distributed.

However, if the distribution or restriction of dividends is otherwise stipulated by the law and regulations or the government authorities, it shall be handled accordingly without being subject to the restriction in the preceding paragraph.

Chapter VIII Annex

Article 28: This Article is deleted.

Article 29: Matters not specified in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.

Article 30: The Articles of Incorporation was enacted on March 20, 1963. The 1st amendment was made on March 23, 1964. The 2nd amendment was made on March 30, 1968. The 3rd amendment was made on April 8, 1969. The 4th amendment was made on October 6, 1977. The 5th amendment was made on June 15, 1978. The 6th amendment was made on April 28, 1981. The 7th amendment was made on October 19, 1981. The 8th amendment was made on May 16, 1984. The 9th amendment was made on June 13, 1985. The 10th amendment was made on June 11, 1991. The 11th amendment was made on November 30, 1994. The 12th amendment was made on May 3, 1996. The 13th amendment was made on May 1, 1997. The 14th amendment was made on June 16, 1999. The 15th amendment was made on June 16, 1999. The 16th amendment was made on July 23, 1999. The 17th amendment was made on January 27, 2000. The 18th amendment was made on May 15, 2000. The 19th amendment was made on April 30, 2001. The 20th amendment was made on May 22, 2002. The 21st amendment was made on June 11, 2004. The 22nd amendment was made on June 10, 2005. The 23rd amendment was made on June 20, 2006. The 24th amendment was made on June 13, 2008. The 25th amendment was made on June 17, 2010. The 26th amendment was made on June 10, 2011. The 27th amendment was made on June 15, 2012. The 28th amendment was made on June 14, 2013. The 29th amendment was made on June 20, 2014. The 30th amendment was made on June 8, 2016. The 31st amendment was made on June 10, 2020.

Appendix V

ShinKong Insurance Co., Ltd. Directors' shareholdings

1. The company's paid-in capital amounted to NT\$3,159,633,000 with 315,963,300 shares issued.
2. All directors should hold a total of 12,638,532 shares mandatorily.
3. According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if two or more independent directors are elected, the shareholding ratio of all directors other than the independent directors is reduced to 80%.
4. As of the book closure date of the Shareholders' Meeting (March 29, 2022), the number of shares held by individual directors and all directors recorded in the shareholder registry that meets the shareholding ratio specified in Article 26 of the Securities Exchange Act.

Job title	Name	Elected date	Tenure	The number of shares held and the shareholding ratio recorded in the shareholder registry on the book closure date	
				Shares	Shareholding ratio
Chairman	WU, HSIN-HUNG	06.10.2020	3 years	143,239	0.05%
Vice chairman	SHIEH, MUNG-SHIUNG, representative of Hong En Co., Ltd.	06.10.2020	3 years	4,514,986	1.43%
Director	WU, TONG-SHENG, representative of Hong En Co., Ltd.	06.10.2020	3 years		
Director	CHANG, MAO-SONG, Representative of Kong Min Enterprise Co. Ltd.	06.10.2020	3 years	6,115,472	1.94%
Director	Cheng-Pin Yang, representative of Hongpu Co., Ltd.	06.10.2020	3 years	7,412,900	2.35%
Director	WU, TUNG-SHENG, Representative of Maxt Inc.	06.10.2020	3 years	20,000	0.01%
Director	LIN, PO-FONG, Shin Kong Wu Ho Su Memorial Hospital	06.10.2020	3 years	1,428,920	0.45%
Director	HO, YING-LAN	06.10.2020	3 years	332,000	0.11%
Independent Director	TSAI-SHIH-CHI	06.10.2020	3 years	0	0.00%
Independent Director	CHI, WEI-HSUEN	06.10.2020	3 years	94,872	0.03%
Independent Director	CHOU, HSIEN-TSAI	06.10.2020	3 years	26	0.00%
Total shareholding of the board of directors				20,062,415	6.35%