

Stock Code: 2850

# **ShinKong Insurance Co., Ltd.**

## **The 2023 Regular Shareholders' Meeting Agenda**



Date: May 25, 2023

Place: 8F., No. 15, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei City

# ShinKong Insurance Co., Ltd.

## Table of Contents

	Page
<b>One. Meeting procedure</b> .....	1
<b>Two. Meeting Agenda</b> .....	2
<b>Three. Report</b> .....	3
<b>Four. Ratification</b> .....	10
<b>Five. Discussion</b> .....	11
<b>Six. Election</b> .....	12
<b>Seven. Extempore Motions</b> .....	13
<b>Attachment</b>	
I. “Sustainable Development Best Practice Principles” Amendment List... .....	14
II. “Regulations for the Transfer of Repurchased Shares to Employees” Amendment List.....	15
III. Independent Auditor’s Report and Financial Statements .....	16
IV. Statement of Earning Distribution.....	26
V. “Articles of Incorporation” Amendment List .....	27
VI. “Procedures for Derivative Transactions” Amendment List .....	30
<b>Appendix</b>	
I. Sustainable Development Best Practice Principles.....	32
II. Regulations for the Transfer of Repurchased Shares to Employees...	39
III. Articles of Incorporation.....	41
IV. Procedures for Derivative Transactions .....	48
V. Rules of Procedures for Shareholders’ Meeting.....	55
VI. Regulations for the Election of Directors.....	64
VII. Directors’ Shareholding .....	67

# **ShinKong Insurance Co., Ltd.**

## **2023 Annual Shareholders' Meeting Procedure**

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

# **ShinKong Insurance Co., Ltd.**

## **2023 Annual Shareholders' Meeting Agenda**

Time: 9:00 am, May 25, 2023 (Thursday)

Venue: 8th Floor, No. 15, Section 2, Jianguo North Road, Zhongshan District, Taipei City

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.Report

(I)The 2022 business report

(II)The 2022 Audit Committee Review Report

(III)The 2022 report on the distribution of remuneration of employees and directors

(IV)Amendments to the Company's "Sustainable Development Best Practice Principles."

(V)Amendments to the Company's "Regulations for the Transfer of Repurchased Shares to Employees."

IV.Ratification

(I)The Company's 2022 business report and financial statements.

(II)The Company's earnings distribution proposal for 2022.

V.Discussion

(I)Amendments to the Company's "Articles of Incorporation."

(II)Amendments to the Company's "Procedures for Derivative Transactions."

VI.Election

(I) Election of the 21<sup>st</sup> session of the Company's Directors (including Independent Directors).

VII.Extempore Motions

VIII.Meeting adjourned

# Report

## I. 2022 business report

### (I) Business plan implementation results

Maintaining its stable business pace, ShinKong Insurance adheres to the material principles of “risk management” of the insurance industry to duly evaluate the domestic outbreak and market conditions, examines the risk evaluation and the adequacy of premiums for our products at all times, explores new businesses, and focuses on premium channels. The overall insurance premium income throughout 2022 achieved NT\$22.402 billion, with a growth rate of 3.08% and market share of 10.17%; our underwriting profits and combined ratio have also recorded favorable performances. For investments, we focused on the principle of steadiness and reviewed market conditions to adjust our investment structures to help improve the stability of our investment gains; the overall operating performance of the Company was favorable.

The operation result is outlined as follows:

#### Motor insurance:

In 2022, there was a constant shortage of automotive chips, and the vehicle market showed a trend of vehicle shortage. Therefore, the overall automobile and motorcycle sales recorded a decrease of 4.5% and 9.3%, respectively, as compared with 2021. However, apart from proactively expanding its market and secure premium businesses and its online insurance business capacity, the Company also actively improving the renewal rate of valuable customers, allowing the automobile insurance premium to increase to NT\$11.883 billion against the trend, with a growth rate of 3.39% and a market share of 10.31%, ranking third place in the industry.

#### Fire insurance:

Complying with the policy of stable operations, we continued to secure premium business with favorable underwriting profit in fire insurance and adjusted and replaced high-risk businesses, resulting in the constant improvement in the underwriting profit of fire insurance. With employees actively exploring channels and improving the renewal rate of valuable customers, the Company recorded an insurance premium of NT\$4.183 billion, with a growth rate of 9.67%.

#### Marine insurance:

Given the effects of inflation, interest rate increases, the Russia-Ukraine War, the upheaval of the COVID-19 outbreak, and other unfavorable factors in the

macroeconomic environment in 2022, the overall insurance premium income of our marine insurance reached NT\$995 million, with a market share of 9.71%. Furthermore, we actively secured favorable businesses in compliance with the existing underwriting policies and eliminated unfavorable business sources. Apart from maintaining our market scale, we further acquired a more favorable underwriting result and achieved favorable performances.

#### Liability insurance:

Due to the effects and impact of the pandemic insurance on the liability insurance market, the overall market reduced by 1.55% in 2022. For the liability insurance of the Company, we continued to examine and eliminate unfavorable businesses, actively cooperated with different channels, and explored the business performance of the liability insurance cautiously in accordance with the principle of control under “risk evaluation.” We recorded a double digits growth in terms of employer liability insurance, director/supervisor liability insurance, and mobile device insurance as compared to 2021, contributing NT\$1.854 billion to our annual performance, with a growth of 3.32% in the market and ranking one of the top 5 in the market in terms of market share.

#### Engineering insurance:

The market of engineering insurance in 2022 focused on large-scale public constructions, new plant constructions and equipment installations of the high-tech industry, and offshore wind power, and the overall market development was vibrant. The Company has also proactively participated in various businesses after examining the risks and the appropriate considerations. The annual insurance premium achieved NT\$1.228 billion, with a growth rate of 10.36% and a market share of 15.53%, maintaining its second ranking in the market.

#### Accident and health insurance:

Providing actual protection required by customers is the focus of our accident insurance products; the Company also actively examines the adequacy of product premiums and adjusted group accident insurance with unfavorable combined ratio to improve our operating performance. In addition, with the gradual easing of pandemic control at home and abroad, the travel insurance market recorded a rebound, and the Company resumed the sales of overseas travel insurance in Q4 2022. The annual insurance premium of the accident and health insurance was NT\$2.259 billion, with a market share of 8.74%.

#### Investment:

In 2022, due to the Russia-Ukraine War and the pressure of inflation, the growth of the international economic environment was unsatisfactory. Under such circumstances,

the performance of stock markets in Taiwan and the New Taiwan Dollar was unfavorable. In compliance with the six major principles under the “Stewardship Principles for Institutional Investors,” the Company utilized dollar-cost averaging strategy and gradually increased the proportion of fixed income products with the purpose of stabilizing long-term investment returns to support the stable increase in the long-term overall income in the future.

Adopting the philosophy of “Customer Service; Value Creation; Sustainable Operation,” ShinKong Insurance aligns itself with international standards and responds to the national net zero emissions plan. We proactively accorded with SDGs, complied with PSI, developed green finance, promoted paperless operations, developed the unique “energy-saving performance insurance” in Asia, and planned our energy-saving and environmental protection objectives. We implemented inclusive finance, realized the spirit of treating customers fairly, provided various insurance, upgraded barrier-free facilities, supported social welfare groups by providing volunteers, donations, and assistance, and we opened sports classes and promoted healthy diets to care for employees’ health. We emphasized on risk management and strengthened our corporate governance to maintain the stable competitive advantages of the Company.

The Company achieved excellent performance in various aspects. We received the recognition of “Faith, Hope & Love Awards of Insurance – Best Insurance Profession and Best Social Welfare Award,” “Best Insurance Rating – Best ESG Award,” and “Insurance Quality Award,” and received 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 2022; therefore, there was no budget implementation to be reported.

(III) Financial income and expenditure: The Company’s operating income was NT\$18,930,606 thousand in 2022, operating cost was NT\$12,705,404 thousand, operating expense was NT\$3,764,558 thousand, operating profit was NT\$2,460,644 thousand, income tax expense was NT\$470,246 thousand, and net income was NT\$2,003,570 thousand.

(IV) Profitability analysis

Analysis item		2021	2022
Profitability	Return on assets	5.41%	4.56%
	Return on equity	15.83%	13.23%
	Net Investment Income Ratio	3.17%	1.54%
	Return on investment	2.91%	1.42%
	Combined ratio	88.95%	90.24%
	Retained expense ratio	35.30%	34.75%
	Retained loss ratio	53.65%	55.49%
	Earnings per share (NT\$)	7.13	6.34

(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 laws 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 maintain 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 participated in the tasks of the IFRS 17 inter-departmental task force according to the latest standards issued in accordance with the International Financial Reporting Standards (IFRSs). Apart from continuing to carry out the system development, introduction, and field testing for the computing models related to IFRS17, the Company will continue to evaluate and calculate the financial effects and examine and respond to the adjustments of operating procedures related to IFRS17 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

With the intensified global climate change, countries have been establishing regulatory systems to evaluate the effects of climate change on industries. To keep pace with globalization, the Company attaches great attention to technology development that can easily identify natural risks. In addition to 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 2022 Audit Committee’s Review Report**

### **Audit Committee’s Review Report**

**The Board has duly prepared the Company’s business report, financial statements and earning distribution proposal for 2022, in which the financial statements have been duly audited and verified by Certified Public Accountants Daniel Hsu and Bob Chang 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 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 2023 Annual Shareholders’ Meeting**

**Audit Committee Convener:**

**Chou Hsien-Tsai**



**March 7, 2023**

### **III. The 2022 Report on the distribution of remuneration of employees and directors**

Description: 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 the Director's remuneration is for an amount of NT\$40,031,197, and the employee's remuneration (including managers) is for an amount of NT\$154,900,238 in cash.

### **IV. Amendments to the Company's "Sustainable Development Best Practice Principles"**

Description: 1. The Company amended its "Sustainable Development Best Practice Principles" and relevant provisions according to Letter Tai-Zheng-Zhi-Li-Zi No. 11100243661 of the Taiwan Stock Exchange dated December 23, 2022.

2. Please refer to Attachment I on page 14 and Appendix I on pages 32 to 38 of this Handbook for the Company's "Sustainable Development Best Practice Principles" Amendment List and the amended provisions.

### **V. Amendments to the Company's "Regulations for the Transfer of Repurchased Shares to Employees"**

Description: 1. The Company amended its "Regulations for the Transfer of Repurchased Shares to Employees" and relevant provisions according to Letter Zheng-Chi-(Jiao)-Zi No. 1110380758 of the Securities and Futures Bureau, Financial Supervisory Commission, dated March 3, 2022 and Letter Jin-Guan-Zheng-Fa-Zi No. 1110383426 of the Financial Supervisory Commission dated August 15, 2022.

2. Please refer to Attachment II on page 15 and Appendix II on page 39 of this Handbook for the Company's "Regulations for the Transfer of Repurchased Shares to Employees" Amendment List and the amended provisions.

## Ratification

Proposal 1

Proposed by the Board

Subject: The Company's 2022 business report and financial statements are submitted for ratification.

Description: 1. The Company had the 2022 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 23<sup>rd</sup> Board meeting of the 20<sup>th</sup> session of the Board on March 7, 2023. Also, the aforementioned reports were reviewed by the Audit Committee.

2. The aforementioned financial statements were audited by CPAs Daniel Hsu and Bob Chang of Ernst & Young Certified Public Accountants, with an independent auditor's report issued.

3. Please refer to pages 3 to 5 and Attachment III on pages 16 to 20 of this Handbook for the business report, independent auditor's report, and financial statements.

4. Submitted for ratification.

Resolution:

Proposal 2

Proposed by the Board

Subject: The Company's 2022 statement of earnings distribution is presented for ratification.

Description: 1. The Company's 2022 statement of earnings distribution was resolved in the 23<sup>rd</sup> Board meeting of the 20<sup>th</sup> session of the Board on March 7, 2023, and audited by the Audit Committee according to the law.

2. In the Company's 2022 final accounts, the net income amounted to NT\$2,003,569,861. After deducting the legal reserve of NT\$408,872,324 according to the Company's Articles of Incorporation, appropriating special reserve – net special provision of NT\$833,463,915, appropriating special reserve – individual travel safety insurance accidental death and disability provision of NT\$2,082,827, and adding the re-measured defined benefit plan recovery of NT\$40,791,759 and the unappropriated earnings of 2021 of NT\$5,685,602, The distributable earnings of the current period are NT\$805,628,156. The Company intends to propose the 2022 earnings distribution plan. Please refer to Attachment IV on page 26 of this Handbook.

3. Submitted for ratification.

Resolution:

## Discussion

Proposal 1

Proposed by the Board

Subject: (I) Amendments to the Company's "Articles of Incorporation" are presented for discussion and approval.

Description: 1. Amendments were made to the Company's "Articles of Incorporation" in accordance with Letter Jin-Guan-Bao-Cai-Zi No. 1110442912.

2. Please refer to Attachment V on pages 27 to 29 and Appendix III on pages 41 to 47 of this Handbook for the Company's "Articles of Incorporation" Amendment List and the amended provisions.

3. Submitted for discussion and approval.

Resolution:

Proposal 2

Proposed by the Board

Subject: Amendments to the Company's "Procedures for Derivative Transactions" are presented for discussion and approval.

Description: 1. Amendments were made to the Company's "Procedures for Derivative Transactions" as the Company is not allowed to engage in derivative operations with the purpose of improving investment benefits through investing or to engage in structural product investment based on the principle of investment conservatism.

2. Please refer to Attachment VI on page 30 and Appendix IV on pages 48 to 54 of this Handbook for the Company's "Procedures for Derivative Transactions" Amendment List and the amended provisions.

3. Submitted for discussion and approval.

Resolution:

## Election

Subject: The election of the 21<sup>st</sup> session of Directors (including Independent Directors) of the Company is submitted for election.

Description: 1. The term of office of the 20<sup>th</sup> session of Directors (including Independent Directors) of the Company will expire on June 19, 2023, and the Company intends to carry out a comprehensive election at the annual shareholders' meeting.

2. According to the requirements under Article 16 of the Articles of Incorporation, the number of the 21<sup>st</sup> session of Directors shall be 11 (including 3 Independent Directors), and the candidate nomination system shall be adopted; the term of office of the 21<sup>st</sup> session of Directors (including Independent Directors) shall be three years from May 25, 2023 to May 24, 2026, and the term of office of the existing Directors shall expire at the end of the annual shareholders' meeting.

3. The list of Director (including Independent Director) candidates was approved at the Board meeting on April 14, 2023, and relevant data is set out as follows:

No.	Name of Director candidate	Academic background	Experience	Shareholding
1	Representative of Haung En Co., Ltd.: WU, HSIN-HUNG	MBA, Wharton School, University of Pennsylvania	Vice chairman of Shinkong Textile Co.,Ltd Director of Shinkong Insurance Co., Ltd.	4,514,986
2	Representative of Haung En Co., Ltd.: WU,TONG-SHENG	Doctor of Laws, Harvard University, USA	Chairman of Shinkong Synthetic Fibers Corporation Chairman of TacBright Optronics Corp.	
3	Representative of Cheng Qian Co., Ltd.: HSIEH MENG-HSIUNG	Medical PhD, University of Pennsylvania	Chairman of Shih Chien University	1,326,339
4	Representative of Ji Zhen Co., Ltd.: LI WEN-TSUNG	MBA, Business Administration, National Taiwan University	Vice President of Shin Kong Investment Trust Co., Ltd.	3,486,000
5	Representative of Chaojia Investment Co., Ltd. Representatives: CHANG,MAO-SON G	Taiwan Police College	Chairman of Cosmos Hotels & Resorts Chairman of Kong Min Enterprises Co., Ltd.	1,683,582
6	Representative of Mao Wei Investment Co., Ltd.: WU,TONG-SHANG	Department of Business, Tamkang University	Director of Wang Tien Woolen Textile Co., Ltd. President of Shinkong Co., Ltd.	20,000
7	Shin Kong Medical Foundation Representatives:	Department of Public Health, Kaohsiung Medical	Deputy Superintendent of Shin Kong Memorial Wu Ho-Su Hospital	1,428,920

	HUNG, TZU-JEN	University		
8	HO, YING-LAN	Department of Labor Relations, Cultural University	President of Shin Kong Insurance Co., Ltd. Executive Vice President of Shin Kong Securities Investment Trust Co., Ltd.	1,312,000

No.	Name of Independent Director candidate	Academic background	Experience	Shareholding
1	CHOU, HSIEN-TSAI	Department of International Business Administration, Chinese Culture University	Shin Kong Insurance Co., Ltd. Manager of Finance Department and Accounting Office / Chief Auditor / Senior Vice President	26
2	YEN, CHANG-SHOU	Keelung Senior High School	Chairman of The Alliance Cultural Foundation Chairman of Junyi School of Innovation	0
3	WANG, JUI-YU	Department of Business Administration, Providence University	Manager of Shin Kong Insurance Co., Ltd.	0

4. The election is subject to the Company's "Regulations for the Election of Directors"; please refer to Appendix VI on pages 64 to 66 of this Handbook.

5. Submitted for election.

Election results:

**Extempore motions**

**Meeting adjourned**

## Attachment I

### ShinKong Insurance Co., Ltd.

#### “Sustainable Development Best Practice Principles” Amendment List

Amended provision	Current provision	Description
<u>Article 27-1</u> <u>The Company shall continue to invest resources in cultural and art activities or the cultural creativity industry by way of donation, sponsorship, investments, procurements, strategic cooperation, volunteer technical services of enterprises, or other supporting models to facilitate cultural development.</u>	The Article is newly added.	The Article was added to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” to encourage enterprises to support cultural and art activities and facilitate sustainable development.



## Attachment II

### ShinKong Insurance Co., Ltd.

#### Regulations for the Transfer of Repurchased Shares to Employees” Amendment List

Amended provision	Current provision	Description
<p>Article 6 Procedures for the current transfer of the repurchased shares to employees: I.Repurchase the Company’s shares within the execution period based on the resolution, announcement, and declaration of the Board. II.Establish the number of shares for transfer in batches, the base date for employee subscription, standards for the number of shares subscribable, the subscription payment period, <u>subscription qualification (shall include personal performance and achievements)</u>, the content of rights, restrictive conditions, and operational matters, <u>which shall be submitted to the Board for resolution.</u> III.Calculate the actual number of shares with subscription payments and carry out the stock transfer registration. IV.<u>Transfer review procedures:</u> 1.<u>Manager: Report to the Remuneration Committee for discussion, and then, submit to the Board for resolution.</u> 2.<u>Non-manager: Report to the Remuneration Committee for discussion, and then, submit to the Board for resolution.</u></p>	<p>Article 6 Procedures for the current transfer of the repurchased shares to employees: I. Repurchase the Company’s shares within the execution period based on the resolution, announcement, and declaration of the Board. II. Establish the number of shares for transfer in batches, the base date for employee subscription, standards for the number of shares subscribable, the subscription payment period, the content of rights, restrictive conditions, and operational matters; <u>the Board may authorize the Chairman for establishment and announcement.</u> III.Calculate the actual number of shares with subscription payments and carry out the stock transfer registration.</p>	<p>In accordance with the “Treasury Shares Q&amp;A (Compiled)” attached to the Letter Zheng-Chi-(Jiao)-Zi No. 1110380758 of the Securities and Futures Bureau, Financial Supervisory Commission, dated March 3, 2022, and Letter Jin-Guan-Zheng-Fa-Zi No. 1110383426 of the Financial Supervisory Commission dated August 15, 2022, the actual subscription qualification and the subscription volume of employees shall be resolved by the Board, and the Chairman shall not be authorized to make the decisions. To reinforce the self-governance of the Company, it is stated that the Company shall include the review procedures for the transfer of shares to employees into the transfer regulations, stipulate the qualification of the transferee, and that the transfer review procedures shall at least include matter that shall be reported.</p>

## **Attachment III**

### **ShinKong Insurance Co., Ltd.**

#### **Independent Auditor's Report**

Shareholders and the Board of ShinKong Insurance Co., Ltd.

#### **Opinion**

We have audited the balance sheets of ShinKong Insurance Co., Ltd. as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 of Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. 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 Accountants 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 2022

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, 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 auditing standards 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 auditing standards, we exercise professional judgment and 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 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 Accountants 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 2022 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.: (93) Tai-Guan-Zhen-(Liu)-Zi No. 0930133943

(103) Jin-Guan-Zheng-Shen-Zi No.1030025503

Daniel Hsu



CPAs:

Bob Chang



March 7, 2023

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd

Balance Sheets

As at December 31, 2022 and December 31, 2021

Unit: NTD thousands

Assets		December 31, 2022		December 31, 2021		
Code	Account titles	Note	Amount	%	Amount	%
11000	Cash and cash equivalents	IV、VI、VII	\$10,852,136	25	\$11,766,660	27
12000	Accounts receivable	IV、VI、VII	1,598,331	4	1,945,038	4
14110	Financial assets at fair value through profit or loss	IV、VI、VII	6,747,161	15	8,823,185	20
14145	Financial assets based on cost after amortization	IV、VI、VII	11,149,971	25	6,941,041	16
14190	Financial assets at fair value through other comprehensive profit or loss	IV、VI、VII	1,352,772	3	1,388,344	3
14200	Investment property	IV、VI	2,561,706	6	2,408,457	5
15000	Reinsurance contract assets	IV、VI	7,530,740	17	8,246,645	19
16000	Property, plant, and equipment	IV、VI	1,146,939	3	1,308,644	3
16700	Right-of-use assets.	IV、VI	33,204	-	34,393	-
17000	Intangible assets	IV、VI	22,846	-	27,455	-
17800	Deferred income tax assets	IV、VI	212,032	-	262,673	1
18000	Other assets	VI	796,848	2	732,945	2
1XXXX	Total assets		<u>\$44,004,686</u>	<u>100</u>	<u>\$43,885,480</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, 2022 and December 31, 2021

Unit: NTD thousands

Code	Liabilities and equity		December 31, 2022		December 31, 2021	
	Account titles	Note	Amount	%	Amount	%
21000	Accounts Payables	VI、VII	\$2,691,211	6	\$2,894,222	7
21700	Current income tax liabilities	IV、VI	168,798	-	275,164	1
23200	Financial liabilities at fair value through profit or loss	IV、VI、VII	249,174	1	-	-
23800	Lease liabilities	IV、VI	33,836	-	34,924	-
24000	Insurance liabilities	IV、VI	25,503,894	58	25,067,097	57
27000	Reserve for liabilities	IV、VI	47,837	-	119,280	-
28000	Deferred tax liabilities	IV、VI	36,699	-	34,389	-
25000	Others		243,282	1	203,172	-
2XXXX	Total liabilities		28,974,731	66	26,248,641	65
31000	Capital stock	VI	3,159,633	7	3,159,633	8
32000	Capital reserves	IV、VI	64,800	-	64,800	-
33000	Retained earnings					
33100	Legal reserve	IV	3,651,093	8	3,200,891	7
33200	Special reserve	IV	6,504,748	15	5,669,201	13
33300	Undistributed earnings	VI	1,214,500	3	1,466,970	3
34000	Other equity		435,181	1	1,695,737	4
3XXXX	Total equity		15,029,955	34	15,257,232	35
	Total Liabilities and Equity		\$44,004,686	100	\$41,505,873	100

(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, 2022 and 2021

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

Unit: NTD thousands

Code	Account titles	Notes	2022		2021	
			Amount	%	Amount	%
41000	Operating revenues:					
41110	Written premiums	IV、VII	\$22,402,424	118	\$21,732,070	118
41120	Reinsurance premium income	IV、VII	710,725	4	747,369	4
41100	Premium revenues		23,113,149	122	22,479,439	122
51100	Less: Reinsurance premiums ceded	IV、VII	(4,530,827)	(24)	(4,921,603)	(27)
51310	Unearned premium reserve net change	IV、VII	(630,942)	(3)	(717,027)	(4)
41130	Retained earned premium		17,951,380	95	16,840,809	91
41300	Reinsurance commission income	VII	281,148	2	357,737	2
41400	Income from handling fees		40,034	-	38,612	-
41500	Net gain from investment		618,172	3	1,200,969	7
41510	Interest revenue		364,795	2	308,794	2
41521	Gain (loss) on financial assets and liabilities at fair value through profit or loss		(1,491,116)	(8)	1,253,429	7
41526	Net gains from derecognition of financial assets at amortized cost		5,386	-	-	-
41527	Realized gain on financial assets at fair value through other comprehensive profit or loss		57,822	-	66,179	-
41550	Profit or loss from foreign exchange		552,704	3	(138,099)	(1)
41570	Profit or loss from investment property		83,201	-	80,635	1
41585	Expected credit impairment loss and reversal gain on investment	VI	1,929	-	389	-
41600	Profit or loss reclassified using the overlay approach	VI	1,043,451	6	(370,358)	(2)
41800	Other operating revenue		39,872	-	25,930	-
	Total operating revenues		18,930,606	100	18,464,057	100
51000	Operating cost:					
	Insurance claims and benefits		(11,390,344)	(60)	(10,747,868)	(58)
41200	Less: Benefits & Claims Recovered from reinsurers		2,225,393	12	2,431,197	13
51260	Retained claims and benefits		(9,164,951)	(48)	(8,316,671)	(45)
51300	Other insurance liabilities net change		(458,632)	(2)	(782,472)	(4)
51500	Commission expense	VII	(2,990,908)	(16)	(2,911,973)	(16)
51800	Other operating cost		(90,913)	(1)	(129,162)	(1)
	Total operating cost		(12,705,404)	(67)	(12,140,278)	(66)
58000	Operating expenses:					
58100	Business expense	VI	(3,338,017)	(18)	(3,240,781)	(18)
58200	Administrative expenses	VI	(404,225)	(2)	(382,838)	(2)
58300	Employee training expense		(4,263)	-	(16,078)	-
58400	Expected credit impairment reversal from non-investments		(18,053)	-	(19,322)	-
	Total operating expenses		(3,764,558)	(20)	(3,659,019)	(20)
61000	Operating revenues		2,460,644	13	2,664,760	14
59000	Non-operating revenues and expenses		13,172	-	(9,777)	-
62000	Income from continuing operations before tax		2,473,816	13	2,654,983	14
63000	Income tax expense	IV、VI	(470,246)	(2)	(400,990)	(2)
66000	Net income		2,003,570	11	2,253,993	12
83000	Other comprehensive income	VI				
83100	The items that are not re-classified as profit or loss					
83110	Reevaluation of determined benefit plan		50,990	-	2,413	-
83180	Incomes tax related to titles not subject to reclassification		(10,198)	-	(483)	-
83190	Evaluation of the capital gain/loss from equity instrument at fair value through comprehensive income statement as other comprehensive income		(114,440)	-	19,856	-
83200	Items that may be re-classified subsequently under profit or loss					
83290	Capital gain/loss of debts instrument at fair value through comprehensive income statement as other comprehensive income		(128,320)	(1)	(14,285)	-
83295	Other comprehensive income reclassified using the overlay approach		(1,043,451)	(6)	370,358	2
83280	Income tax related to items possibly be reclassified		25,655	-	17,808	-
	Other Comprehensive income in current period (net after tax)		(1,219,764)	(7)	395,667	2
85000	Total comprehensive income in current period		\$783,806	4	\$2,649,660	14
97500	Earnings per share					
	Basic earnings per share (denominated in New Taiwan dollars)	VI	\$6.34		\$7.13	

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FAN

(English Translation of Financial Statements Originally Issued in Chinese)  
ShinKong Insurance Co., Ltd.  
Statement of Changes in Equity  
January 1 to December 31, 2022 and 2021

Item	Capital stock	Capital reserves	Retained earnings			Other equity		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, 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	-	-	-	-	(327,393)	-	-	-
Appropriation of Legal reserve	-	-	327,393	-	(616,128)	-	-	-
Common Stocks cash dividends distributed	-	-	-	785,453	(785,453)	-	-	(616,128)
Appropriation of Special reserves	-	-	-	-	-	-	-	-
Appropriation of Special reserves-Personal Travel Insurance	-	-	-	1,929	(1,929)	-	-	-
Accidental Death and Disability Reserve	-	-	-	-	-	-	-	-
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	\$4,883,748	\$2,252,423	\$90,869	\$1,604,868	\$15,257,232
Balance as of January 1, 2022	\$3,159,633	\$64,800	\$3,200,891	\$5,669,201	\$1,466,970	\$90,869	\$1,604,868	\$15,257,232
The 2021 appropriation and distribution of earnings	-	-	-	-	(450,202)	-	-	-
Appropriation of Legal reserve	-	-	450,202	-	(1,011,083)	-	-	(1,011,083)
Common Stocks cash dividends distributed	-	-	-	833,464	(833,464)	-	-	-
Appropriation of Special reserves	-	-	-	-	-	-	-	-
Appropriation of Special reserves-Personal Travel Insurance	-	-	-	2,083	(2,083)	-	-	-
Accidental Death and Disability Reserve	-	-	-	-	-	-	-	-
Net income in January 1 to December 31, 2022	-	-	-	-	2,003,570	-	-	2,003,570
Other comprehensive income in January 1 to December 31, 2022	-	-	-	-	40,792	(217,105)	(1,043,451)	(1,219,764)
Total comprehensive income in current period	-	-	-	-	2,044,362	(217,105)	(1,043,451)	783,806
Balance as of December 31, 2022	\$3,159,633	\$64,800	\$3,651,093	\$6,504,748	\$1,214,500	\$(126,236)	\$561,417	\$15,029,955

(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, 2022 and 2021

Unit: NTD thousands

Item	2022	2021
Cash flow from operating activities:		
Income from continuing operations before tax	\$2,473,816	\$2,654,983
Adjusted Items:		
Revenue, expense and loss		
Depreciation expenses	82,813	79,693
Amortization expenses	23,844	26,963
Net income on financial assets and liabilities at fair value through profit and loss	1,491,116	(1,253,429)
Net income on financial assets at fair value through other comprehensive profit or loss	(57,822)	(66,179)
Derecognise of financial assets at amortized cost	(5,386)	-
Interest expenses	694	740
Interest revenue	(364,795)	(308,794)
Various insurance liabilities net change	1,089,574	1,499,499
Expected credit impairment loss and reversal gain/loss on investment	(1,929)	(389)
Expected credit impairment reversal from non-investments	18,053	19,322
Losses (gains) from adoption of overlay approach	(1,043,451)	370,358
Profit or loss from disposal and scrapping of property and equipment	(749)	(1,644)
Profit or loss from disposal of investment property	(5,029)	-
Impairment losses on non-financial assets	-	20,660
Changes in assets/liabilities related to business activities		
Decrease (increase) of accounts receivable	364,210	(99,169)
Decrease (increase) of financial assets measured at fair value through profit or loss	609,504	(570,582)
Increase of financial assets measured at fair value through other comprehensive profit or loss	(207,141)	(63,911)
Increase of financial assets on the basis of cost after amortization	(4,201,991)	(1,163,316)
Decrease (increase) of reinsurance contracts assets	53,565	(121,831)
Increase of other assets	(70,423)	(3,050)
Increase (decrease) of payables	(203,011)	455,633
Provisions decrease	(20,453)	(5,853)
Other liabilities increase	40,110	7,622
Cash inflow from operating activities	65,119	1,477,326
Interest received	336,525	301,219
Dividend received	284,678	240,856
Interest paid	(104)	(113)
Income tax paid	(508,204)	(324,148)
Net cash inflow from operating activities	178,014	1,695,140
Cash flows from investment activities:		
Purchase of property and equipment	(72,176)	(54,671)
Disposal of property and equipment	870	4,377
Purchase of investment property	-	(213,631)
Disposal of investment property	14,383	-
Purchase of intangible asset	(7,354)	(8,038)
Net cash outflows used in investing activities	(64,277)	(271,963)
Cash flows from financing activities:		
Cash dividends paid	(1,011,083)	(616,128)
Repayment of the principal portion of lease liabilities	(17,178)	(16,157)
Net cash outflows from financing activities	(1,028,261)	(632,285)
Increase (decrease) of cash and cash equivalents in current period	(914,524)	790,892
Balance of cash and cash equivalents at the beginning of period	11,766,660	10,975,768
Balance of cash and cash equivalents at the ending of period	\$10,852,136	\$11,766,660

(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 Earning Distribution



Unit: NT\$

Summary	Amount
<b>Unappropriated earnings at the beginning of the period</b>	5,685,602
Add: Net income	2,003,569,861
Minus: Appropriated 20% legal reserve	(408,872,324)
Minus: Appropriated special reserve – special provision	(894,886,569)
Minus: Appropriated special reserve – individual travel safety insurance accidental death and disability provision	(2,082,827)
Add: Recovered special reserve – special provision	61,422,654
Add: Recovered defined benefit plan re-measured amount	40,791,759
<b>Distributable earnings</b>	805,628,156
Distribution	
Shareholder dividend: 315,963,300 shares (cash dividend per share = NT\$2.54)	802,546,782
<b>Unappropriated earnings at the end of the period</b>	3,081,374

- Note: (I) The earnings distribution proposal is calculated in accordance with the “unconditionally rounding down to the nearest dollar” method.
- (II) The Chairman will be authorized to schedule the dividend distribution date separately after the 2022 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 authorized to deal with the matter.
- (V) The appropriation and collection of special reserve - special provision 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-Lian



Accounting Officer: Ya-Fang Tseng



## Attachment V

## ShinKong Insurance Co., Ltd.

## “Articles of Incorporation” Amendment List

Amended provision	Current provision	Description
<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.</p> <p>Then, the Company shall appropriate or reverse the special surplus reserve according to the law; when there are still remaining balances, they may be combined with the accumulated unappropriated earnings at the beginning of the period and the adjustments to the unappropriated earnings at the end of the year, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for determination.</p> <p>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.</p> <p>However, when laws and regulations or the competent authority otherwise state the requirements or restrictions</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.</p> <p>Then, the Company shall appropriate or reverse the special surplus reserve according to the law; when there are still remaining balances, they may be combined with the accumulated unappropriated earnings at the beginning of the period and the adjustments to the unappropriated earnings at the end of the year, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for determination.</p> <p><b><u>For the abovementioned proposal for earning distribution, the Board 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></b></p> <p>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</p>	<p>The amendment was made according to Letter Jin-Guan-Bao-Cai-Zi No.1110442912</p>

Amended provision	Current provision	Description
<p>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 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 state 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>Article 30: The Articles were established on March 20, 1963. The 1<sup>st</sup> amendment was made on March 23, 1964. The 2<sup>nd</sup> amendment was made on March 30, 1968. The 3<sup>rd</sup> amendment was made on October 6, 1978. The 5<sup>th</sup> amendment was made on June 15, 1978. The 6<sup>th</sup> amendment was made on April 28, 1981. The 7<sup>th</sup> amendment was made on October 19, 1981. The 8<sup>th</sup> amendment was made on May 16, 1984. The 9<sup>th</sup> amendment was made on June 13, 1985. The 10<sup>th</sup> amendment was made on June 11, 1991. The 11<sup>th</sup> amendment was made on November 30, 1994. The 12<sup>th</sup> amendment was made on May 3, 1996. The 13<sup>th</sup> amendment was made on May 1, 1997. The 14<sup>th</sup> amendment was made on June 16, 1999. The 15<sup>th</sup> amendment was made on June 16, 1999. The 16<sup>th</sup> amendment was made on July 23, 1999. The 17<sup>th</sup> amendment was made on January 27, 2000. The 18<sup>th</sup> amendment was made on May 15, 2000. The 19<sup>th</sup> amendment was made on April 30, 2001. The 20<sup>th</sup> amendment was made on May 22, 2002. The 21<sup>st</sup> amendment was</p>	<p>Article 30: The Articles were established on March 20, 1963. The 1<sup>st</sup> amendment was made on March 23, 1964. The 2<sup>nd</sup> amendment was made on March 30, 1968. The 3<sup>rd</sup> amendment was made on October 6, 1978. The 5<sup>th</sup> amendment was made on June 15, 1978. The 6<sup>th</sup> amendment was made on April 28, 1981. The 7<sup>th</sup> amendment was made on October 19, 1981. The 8<sup>th</sup> amendment was made on May 16, 1984. The 9<sup>th</sup> amendment was made on June 13, 1985. The 10<sup>th</sup> amendment was made on June 11, 1991. The 11<sup>th</sup> amendment was made on November 30, 1994. The 12<sup>th</sup> amendment was made on May 3, 1996. The 13<sup>th</sup> amendment was made on May 1, 1997. The 14<sup>th</sup> amendment was made on June 16, 1999. The 15<sup>th</sup> amendment was made on June 16, 1999. The 16<sup>th</sup> amendment was made on July 23, 1999. The 17<sup>th</sup> amendment was made on January 27, 2000. The 18<sup>th</sup> amendment was made on May 15, 2000. The 19<sup>th</sup> amendment was made on April 30, 2001. The 20<sup>th</sup> amendment was made on May 22, 2002. The 21<sup>st</sup> amendment was</p>	<p>Added the date and number of the amendment</p>

Amended provision	Current provision	Description
<p>made on June 11, 2004. The 22<sup>nd</sup> amendment was made on June 10, 2005. The 23<sup>rd</sup> amendment was made on June 20, 2006. The 24<sup>th</sup> amendment was made on June 13, 2008. The 25<sup>th</sup> amendment was made on June 17, 2010. The 26<sup>th</sup> amendment was made on June 10, 2011. The 27<sup>th</sup> amendment was made on June 15, 2012. The 28<sup>th</sup> amendment was made on June 14, 2014. The 29<sup>th</sup> amendment was made on June 20, 2014. The 30<sup>th</sup> amendment was made on June 8, 2016. The 31<sup>st</sup> amendment was made on June 10, 2020. The 32<sup>nd</sup> amendment was made on May 27, 2022. <b><u>The 33<sup>rd</sup> amendment was made on May 25, 2023.</u></b></p>	<p>made on June 11, 2004. The 22<sup>nd</sup> amendment was made on June 10, 2005. The 23<sup>rd</sup> amendment was made on June 20, 2006. The 24<sup>th</sup> amendment was made on June 13, 2008. The 25<sup>th</sup> amendment was made on June 17, 2010. The 26<sup>th</sup> amendment was made on June 10, 2011. The 27<sup>th</sup> amendment was made on June 15, 2012. The 28<sup>th</sup> amendment was made on June 14, 2014. The 29<sup>th</sup> amendment was made on June 20, 2014. The 30<sup>th</sup> amendment was made on June 8, 2016. The 31<sup>st</sup> amendment was made on June 10, 2020. The 32<sup>nd</sup> amendment was made on May 27, 2022.</p>	

## Attachment VI

### ShinKong Insurance Co., Ltd.

#### “Procedures for Derivative Transactions” Amendment List

Amended provision	Current provision	Description
<p>Chapter 2 Matters to be set out</p> <p>Article 2 (omitted)</p> <p>(I) (omitted)</p> <p>(II) (omitted)</p> <p>(III) Transaction strategies:</p> <p>1. Transaction strategies for the purpose of hedging and for the purpose of improving investment benefits: The Company <u>only</u> engages in derivative transactions <u>for the purpose of hedging</u>.</p> <p>2. Transaction strategies for structural product investment: <u>The Company shall not engage in structural product investment.</u></p>	<p>Chapter 2 Matters to be set out</p> <p>Article 2 (omitted)</p> <p>(I) (omitted)</p> <p>(II) (omitted)</p> <p>(III) Transaction strategies:</p> <p>1. Transaction strategies for the purpose of hedging and for the purpose of improving investment benefits: The Company shall engage in derivative transactions <u>for the purpose of hedging, in principle.</u></p> <p>2. Transaction strategies for structural product investment: <u>The importance of risk measurement shall be over the consideration of gains, in principle.</u></p>	<p>The Company is not allowed to engage in derivative operations with the purpose of improving investment benefits through investing or to engage in structural product investment based on the principle of investment conservatism.</p>
<p>Article 3: Procedures</p> <p>(I) Responsible level:</p> <p>1. (omitted)</p> <p>2. (omitted)</p> <p>3. (omitted)</p> <p>4. <u>Chief of the investment department</u>: The senior director designated by the Board; relevant duties shall be subject to the Regulations.</p> <p>(II) (omitted)</p> <p>(III) Authorization limit: For derivative transactions and structural product investments for the purpose of hedging, the Chairman is authorized to make</p>	<p>Article 3: Procedures</p> <p>(I) Responsible level:</p> <p>1. (omitted)</p> <p>2. (omitted)</p> <p>3. (omitted)</p> <p>4. <u>Chief of investment</u>: The senior director designated by the Board; relevant duties shall be subject to the Regulations.</p> <p>(II) (omitted)</p> <p>(III) Authorization limit: For derivative transactions <u>and structural product investments</u> for the purpose of hedging, the Chairman is authorized to</p>	<p>Adjustments were made according to our internal organization.</p>



Amended provision	Current provision	Description
<p>arrangements <u>according to the Table of Approval Authority</u>, and the remaining shall be subject to the requirements of the Regulations.</p>	<p>make arrangements, and the remaining shall be subject to the requirements of the Regulations.</p>	

## Appendix I (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 the 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 perform according to the following principles:

- I. Implement corporate governance.
- II. Develop a 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, submit them to the shareholders’ meeting for

reporting.

When any shareholders submit proposals involving sustainable development, the Company's Board shall make due considerations regarding whether to include the proposals in 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 an 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, 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 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, and the senior management shall report to the Board 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 a substantial promotional plan, and it shall report to the Board. The Company shall establish

reasonable remuneration policies to ensure the remuneration planning is aligned with the organization's strategic targets and stakeholders' interests.

The employee's performance evaluation system shall be combined with 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 and 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 a 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 achieving the target of a sustainable environment.

Article 12 The Company shall be committed to improving the utilization rate of various resources and using renewable suppliers with minor impacts on the 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 following:

- I. Collect and evaluate sufficient and real-time information regarding the effects of operating activities on the natural environment.
- II. Establish measurable sustainable environment targets and regularly examine the continuity and relevance of its development.
- III. Establish substantial plans or action plans 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, 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 waste and duly process wastes.
- III. Improve the recyclability and reuse of raw materials or products.
- IV. Allow renewable resources to be used with the 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 the environment and adopt the best practicable measures of pollution control and technologies to control.

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 social welfare

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

- I. Propose corporate human rights policies or statements.
- 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 corporate human rights policies or statements.
- IV. When involving infringement of 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 equality and transparency during the course of whistle-blowing. The whistle-blowing channel shall be simple, convenient, and smooth, and it shall provide appropriate responses 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 an 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 representatives 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 damage consumers' trust or harm 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' complaints, 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 community development through business activities, donations, corporate volunteer services, or other professional public welfare services.

#### Article 27-1

The Company shall continue to invest resources in cultural and art activities or the cultural creativity industry by way of donation, sponsorship, investments, procurements, strategic cooperation, volunteer technical services of enterprises, or other supporting models to facilitate cultural development.

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 and substantial promoting plan.
- II. Risks and effects of factors of implementing corporate governance, developing a 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 of 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 a 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 reporting; the same shall apply upon any amendment.

Established on December 24, 2015

Amended on March 9, 2022

Amended on March 7, 2023



## **Appendix II (After amendments)**

### **ShinKong Insurance Co., Ltd.**

#### **Regulations for the Transfer of Repurchased Shares to Employees**

Article 1 To provide incentives to employees and improve their cohesiveness, the Company has established the Regulations for the Transfer of Repurchased Shares to Employees of the Company according to relevant requirements under subparagraph 1, paragraph 1, Article 28-2 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.” For the transfer of repurchased shares to employees, apart from those otherwise required in relevant laws and regulations, the Company makes arrangements according to the requirements of the Regulations.

Article 2 Treasury shares transferring to employees referred to in the Regulations are ordinary shares; after the transfer registration, their rights and obligations shall rank *pari passu* with other issued ordinary shares, except for otherwise stated in the Regulations.

Article 3 The current repurchased shares may be transferred to employees in a lump-sum or in batches within five years from the repurchase of shares according to the requirements of the Regulations.

Article 4 Formal employees of the Company who have reported to work for one year before the base date of the subscription or employees of the Company with special contributions that are recognized by the Board are entitled to subscribe based on the subscription amount stated in Article 5 of the Regulations.

Article 5 The number of shares that may be subscribed by employees shall be otherwise established by the Board of the Company.

Article 6 Procedures for the current transfer of the repurchased shares to employees:

- I. Repurchase the Company’s shares within the execution period based on the resolution, announcement, and declaration of the Board.
- II. Establish the number of shares for transfer in batches, the base date for employee subscription, standards for the number of shares subscribable, the subscription payment period, subscription qualification (shall include personal performance and achievements), the content of rights, restrictive conditions, and operational matters, which shall be submitted to the Board for resolution.
- III. Calculate the actual number of shares with subscription payments and carry out the stock transfer registration.
- IV. Transfer review procedures:

1. Manager: Report to the Remuneration Committee for discussion, and then, submit to the Board for resolution.
2. Non-manager: Report to the Remuneration Committee for discussion, and then, submit to the Board for resolution.

Article 7 Regarding the current transfer of repurchased shares to employees, the transfer price is the average price of the actual repurchases made; however, before the transfer, if there is an increase in the issued ordinary shares of the Company, adjustments may be made within the scope of the ratio of the increase in the issued share.

Article 8 Rights and obligations of share transfer:

- I. For the current transfer of repurchased shares to employees, employees may only transfer such shares after two years from the delivery date of stocks.
- II. After the current transfer of repurchased shares and transfer registration by employees, except for otherwise stated, the remaining rights and obligations shall rank *pari passu* with the existing shares.

Article 9 The Regulations became effective after being approved as a resolution by the Board, and amendments may be reported to the Board for resolution.

Article 10 The Regulations shall be reported to the shareholders' meeting, and the same shall apply upon any amendment.

Established on March 18, 2020/amended on April 22, 2020  
Amended on December 16, 2020/amended on June 22, 2022  
Amended on November 9, 2022/amended on April 14, 2023

## **Appendix III (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 the Company 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.
- 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\$5 billion, with 500 million shares issued at NT\$10 par; also, the Board is authorized to issue stock shares in installments.
- Article 6: The Company’s shares are all registered, signed or sealed by a director who represents the Company 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: This Article is deleted.
- Article 9: The book closure date for the transfer of the Company’s shares is scheduled 60 days prior to the annual shareholders’ meeting, 30 days prior to the extraordinary shareholders’ meeting, or five 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: annual shareholders’ meetings and extraordinary shareholders’ meetings. Unless otherwise provided by the Company Act, it shall be convened by the Board. The annual shareholders’

meeting shall be convened at least once a year and shall be convened within six months after the end of each fiscal year. A special meeting will be convened lawfully when necessary. The annual 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 extraordinary 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.

The shareholders' meeting of the Company may be made by way of video conference or other methods announced by the central competent authority.

Article 11: A shareholder who cannot attend the shareholders' meeting for reasons may issue a proxy to have an agent attend the meeting instead. When one person is concurrently appointed as a 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 chairperson.

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 the 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 who are selected by the shareholders' meeting from the list of Director candidates. The term of office is three years, and they may be reelected. The number of Independent Directors on the Board 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 Directors will be handled in accordance with the Company Act, Securities and Exchange Act, and relevant laws and regulations.

Article 17: The Board 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 the chairperson.

Where the Chairman does not make such a designation, the Directors shall select from among themselves one person to serve as the chairperson.

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 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 are as follows:

- I. Approval of regulations
- II. Decision of business policy
- III. Approval of budget and final account
- IV. Draft of the 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 Directors for performing their duties, regardless of profit or loss. The Board 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.

The Company may purchase liability insurance for Directors regarding the compensation responsibility they assumed according to the law for the scope of their business execution within the term of office of Directors.

Article 19: The Board 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 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 at 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 the meeting shall be signed or sealed by the chairperson.

#### **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 acting 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 laws 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 are 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, 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 dividends 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 shares or cash. The remuneration to Directors is paid in the form of cash, which is to be carried out by the Board 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: 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 reverse the special surplus reserve according to the law; when there are still remaining balances, they may be combined with the accumulated unappropriated earnings at the beginning of the period and the adjustments to the unappropriated earnings at the end of the year, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for determination.

For the abovementioned proposal for earning distribution, the Board 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.

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 state 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.

#### **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 were established on March 20, 1963. The 1<sup>st</sup> amendment was made on March 23, 1964. The 2<sup>nd</sup> amendment was made on March 30, 1968. The 3<sup>rd</sup> amendment was made on October 6, 1978. The 5<sup>th</sup> amendment was made on June 15, 1978. The 6<sup>th</sup> amendment was made on April 28, 1981. The 7<sup>th</sup> amendment was made on October 19, 1981. The 8<sup>th</sup> amendment was made on May 16, 1984. The 9<sup>th</sup> amendment was made on June 13, 1985. The 10<sup>th</sup> amendment was made on June 11, 1991. The 11<sup>th</sup> amendment was made on November 30, 1994. The 12<sup>th</sup> amendment was made on May 3, 1996. The 13<sup>th</sup> amendment was made on May 1, 1997. The 14<sup>th</sup> amendment was made on June 16, 1999. The 15<sup>th</sup> amendment was made on June 16, 1999. The 16<sup>th</sup> amendment was made on July 23, 1999. The 17<sup>th</sup> amendment was made on January 27, 2000. The 18<sup>th</sup> amendment was made on May 15, 2000. The 19<sup>th</sup> amendment was made on April 30, 2001. The 20<sup>th</sup> amendment was made on May 22, 2002. The 21<sup>st</sup> amendment was made on June 11, 2004. The 22<sup>nd</sup> amendment was made on June 10, 2005. The 23<sup>rd</sup> amendment was made on June 20, 2006. The 24<sup>th</sup> amendment was made on June 13, 2008. The 25<sup>th</sup> amendment was made on June 17, 2010. The 26<sup>th</sup> amendment was made on June 10, 2011. The 27<sup>th</sup> amendment was made on June 15, 2012. The 28<sup>th</sup> amendment was made on June 14, 2014. The 29<sup>th</sup> amendment was made on June 20, 2014. The 30<sup>th</sup> amendment was made on June 8, 2016. The 31<sup>st</sup> amendment was made on June 10, 2020. The 32<sup>nd</sup> amendment was made on May 27, 2022.

## **Appendix IV (Before amendment)**

### **ShinKong Insurance Co., Ltd. Procedures for Derivative Transactions**

Established by: Jointly established by the Investment Department, Audit Office, Legal Compliance Office, and Risk Management Department

#### Chapter 1 General

##### Article 1: Legal basis

The Procedures were established according to the “Regulations Governing Derivatives Transactions Conducted by Insurance Companies” (the “Regulations”) and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

#### Chapter 2 Matters to be set out

##### Article 2 (omitted)

###### (I) Categories of derivative transactions:

Arrange based on the requirements of the Regulations.

###### (II) Major transaction counterparties:

The Chairman is authorized to make arrangements after making verification with the “Management Rules for Transaction Personnel of Investment Department with Transaction Counterparty and Agency.”

###### (III) Transaction strategies:

1. Transaction strategies for the purpose of hedging and for the purpose of improving investment benefits:

The Company shall engage in derivative transactions for the purpose of hedging, in principle.

2. Transaction strategies for structural product investment:

The importance of risk measurement shall be over the consideration of gains, in principle.

###### (IV) Setting of all and individual positions:

Arrange based on the requirements of the Regulations.

###### (V) Cap of losses for all and individual contracts:

The cap of losses for derivative transactions by the Company shall be 30% of the amount of all and individual contracts transacted.

##### Article 3: Procedures

###### (I) Responsible level:

1. The Board: Approve and examine material policies and procedures for derivative transactions and risk management.

2. Chairman: Approve investment decisions based on the authorization of the Board.

3. Assist in the decision-making of the Chairman for investments.

4. Chief of investment: The senior director designated by the Board; relevant duties shall be subject to the Regulations.

(II) Execution department and division of authority and responsibility:

The execution department of the Company for derivative transactions and the division of authority and responsibility shall be subject to the general investment management handbook, and operating personnel of each department shall not concurrently hold other positions.

(III) Authorization limit:

For derivative transactions and structural product investments for the purpose of hedging, the Chairman is authorized to make arrangements, and the remaining shall be subject to the requirements of the Regulations.

(IV) Transaction procedures

The transaction procedures of derivative transactions by the Company are as follows:

1. Approval application

Apply for approval from the competent authority according to the requirements of the Regulations.

2. Contract execution and account opening:

After the sign-off procedures were approved, enter into relevant transaction contracts and account opening contracts with transaction counterparties to clarify the rights and obligations of both parties involved in the transaction.

3. Transaction execution:

Before the transaction, confirm the transaction category, volume, price, and authorized transaction limit based on the transaction requirements, and then, confirm whether the guarantee deposits in the guarantee deposit account are sufficient to execute the transaction. For outstanding contracts, a reversing closure of the position or a settlement for delivery shall be made before the accounting date.

4. Transaction confirmation:

After the transaction, the confirmation department shall make a confirmation.

5. Transaction delivery:

After the transaction is confirmed, relevant data shall be delivered to the delivery department for subsequent accounting and delivery operations.

6. Risk management:

Personnel from the risk management department shall be responsible for relevant risk management, valuation, and reports.

7. Matters of joint participation:

For the derivative category that is traded for the first time, please jointly perform with the risk management department, legal compliance department, and accounting department, and issue an evaluation report.

8. For unaddressed matters, please make arrangements according to the general investment management handbook.

#### Article 4: Internal control system

##### (I) Risk identification and evaluation:

Arrange according to the risk management system below.

##### (II) Legitimacy evaluation:

1. Relevant contracts may only be executed after being reviewed by the legal affairs department.
2. Legitimacy evaluations shall be performed for the monthly investment report.

##### (III) Operating and management rules:

Regarding the operating and management rules for derivative transactions, apart from the Procedures, relevant operating and management rules are majorly set out as follows:

1. Procedures for the Acquisition and Disposal of Assets of ShinKong Insurance Co., Ltd..
2. General investment management handbook.
3. Management Rules for Transaction Personnel of Investment Department with Transaction Counterparty and Agency.
4. Regulations for Investment Risk Management.
5. Table of Approval Authority of the investment department.

##### (IV) Procedures for preserving transaction records:

When engaging in derivative transactions, the Company shall preserve the transaction records according to the following:

1. A special file shall be archived for the minutes of Board meetings, account opening contracts, and other relevant data related to the business.
2. Transaction information shall be immediately entered into the information system when engaging in the business. After a statement is produced, it shall be archived in combination with the data of the trading report of the transaction counterparty after being signed for approval by relevant directors. The information department shall regularly back up the data in the information system for archiving.

##### (V) Valuation method and frequency:

The position held in derivative transactions shall be evaluated based on the fair market price, and the frequency shall be subject to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

##### (VI) Anomaly reporting system:

Arrange based on the Regulations for Risk Alert and Reporting of the Company.

#### Article 5: Internal audit system

(I) Internal audit structure:

The Company has established an Audit Office under the Board to independently execute audit operations.

(II) Auditing frequency:

Subject to the Regulations.

(III) Scope of audit:

Subject to the Regulations.

(IV) Procedures for submitting audit reports and deficiency improvement and follow-up:

Subject to the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises.

#### Article 6: Accounting system

(I) Procedures for accounting and entry:

The accounting policy for the operation is primarily subject to generally accepted accounting principles and relevant laws and regulations so as to fairly preset the transaction process and results by using the complete accounting book, certificates, and accounting records.

(II) Recognition in profit or loss and disclosures in financial reports:

When preparing its periodical financial reports (annual, interim, quarterly financial reports), the Company shall comply with the requirements under the “Guidelines for Disclosures in Financial Reports of Companies Listed on TWSE/TPEX for Derivative Transactions” and generally accepted accounting principles.

#### Article 7: Risk management system

(I) Credit risk (risk of transaction counterparty):

1. Identification:

For transactions with transaction counterparties through OTC markets, such risks occurred when the valuation was more favorable to the Company, but the counterparty violated the contract and failed to perform its obligation of delivery.

2. Measurement:

Measure based on the credit rating and asset scale of the transaction counterparty.

3. Monitoring and reporting:

Establish restrictions on transaction limits based on the credit status of the individual transaction counterparty. When any anomaly occurs, make arrangements according to the Regulations for Risk Alter and Reporting of the Company.

(II)Market risk (system risk):

1.Identification:

Risks resulted from the losses of derivative positions due to changes in market prices; however, as the Company engages in derivative transactions for hedging, in principle, the corresponding hedged positions will generate benefits, which in turn, eliminates our market risks regarding the overall positions of the Company.

2.Measurement:

Correlation with hedging.

3.Monitoring and reporting:

Monitor on a daily basis. When any anomaly occurs, make arrangements according to the Regulations for Risk Alter and Reporting of the Company.

(III)Liquidity risk:

1.Identification:

Risks arise from the expansion in differences between the purchasing and selling prices upon transaction due to insufficient market depth.

2.Measurement:

Differences between the purchasing and selling prices.

3.Monitoring and reporting:

Monitor on a daily basis. When any anomaly occurs, make arrangements according to the Regulations for Risk Alter and Reporting of the Company.

(IV)Operating risk:

1.Identification:

Risks of losses of the Company resulting from transaction delay or malpractices due to inappropriate internal control or other factors during the course of operations when engaging in derivative transactions.

2.Measurement:

Amount of losses.

3.Monitoring and reporting:

Implement the principles that no person shall have multiple positions in different departments of authority and responsibility. When any anomaly occurs, make arrangements according to the Regulations for Risk Alter and Reporting of the Company.

(V)Legal risk:

1.Identification:

Risk of damages to the Company's interest due to unfavorable terms established when entering into relevant contracts or being punished due to violations of relevant requirements established by the competent authority.

2.Measurement:

Amount of losses or fines.

3. Monitoring and reporting:

Please examine whether the transaction complies with relevant requirements beforehand. Relevant contracts may only be executed after being reviewed by the legal affairs department. When any anomaly occurs, make arrangements according to the Regulations for Risk Alter and Reporting of the Company.

Article 8: Risk of transaction counterparties

I. Credit risk evaluation of transaction counterparty:

When engaging in transactions in the OTC markets, the Company shall carry out credit risk evaluations of transaction counterparties, establish restrictions on the transaction limits based on the credit status of the individual transaction counterparties, and control at all times; the Chairman is authorized to perform such tasks.

II. Procedures for self-processed collateral management operation:

(I) Self-processed:

When engaging in derivative transactions in OTC markets, the Company processes relevant management operations for collateral that is appropriated and received according to the agreements in the credit support annex of the ISDA contract entered into between the Company and its transaction counterparty.

(II) Independent and effective risk management system:

The confirmation procedures for the positions of derivative positions, valuation of collateral, receipt/appropriation and exchange of collateral, dispute settlement, interest management, and other information shall be subject to relevant regulations of the departments of authority and responsibility of the Company.

Article 9: Regular reports to the Board and the Risk Management Committee shall be subject to the requirements of the Regulations.

Chapter 3 Announcement and declaration:

The procedures for the disclosure, announcement, and declaration of information related to derivative transactions of the Company shall be subject to the following requirements:

I. Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

II. Regulations Governing Public Disclosure of Information by Non-life Insurance Enterprises.

III. Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

IV. Taipei Exchange Administrative Financial Derivatives Trade Database (TR system) under Letter Jin-Guan-Zheng-Quan No. 1010006848.

Chapter 4 Appendices:

The Procedures were implemented after being approved by the Board and reported to the shareholders' meeting for consent and reported to the competent authority for archiving; the same shall apply for any amendment.

Established on February 21, 2003  
 Amended on June 15, 2006  
 Amended on June 14, 2007  
 Amended on October 8, 2007  
 Amended on August 5, 2009  
 Amended on December 28, 2011  
 Amended on December 27, 2012  
 Amended on June 20, 2014  
 Amended on June 10, 2015  
 Amended on June 8, 2016  
 Amended on June 8, 2018  
 Amended on April 24, 2019

Session of the Board	Shareholders' meeting	Archive with the competent authority
16-16; 2011.12.28	2012.06.15	101 Xin-Chan-Tou-Fa No. 215; 2012.03.15
17-04; 2012.12.27	2013.06.14	102 Xin-Chan-Tou-Fa No. 599; 2013.06.13
17-07; 2013.06.20	2014.06.20	103 Xin-Chan-Tou-Fa No.; 2014.07.02
18-05; 2014.11.13	2015.06.10	104 Xin-Chan-Tou-Fa No. 71; 2015.07.01
18-11; 2015.12.24	2016.06.08	105 Xin-Chan-Fa-Fa No.1204; 2016.09.09
19-03; 2017.11.08	2018.06.08	106 Xin-Chan-Fa-Fa No.1458; 2017.11.30
19-12; 2019.04.24	2020.06.10	108 Xin-Chan-Fa-Fa No.580; 2019.05.31



## **Appendix V**

### **ShinKong Insurance Co., Ltd.**

#### **Rules of Procedures for Shareholders' Meetings**

##### 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.

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, the 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 annual shareholders' meeting or the extraordinary 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 annual shareholders' meeting or the extraordinary 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, a 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 annual 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 annual shareholders' meeting; the acceptance period shall not be less than ten 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 annual 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 five 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 two 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 shall be 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 a proxy, it may designate only one person to represent it in the meeting.

#### Article 6

If a Shareholders' meeting is convened by the Board, the meeting shall be 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 chairperson, the vice chairperson shall act in place of the Chairman; if there is no Vice Chairman or 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 of the Directors to act as the chairperson, or, if there are no Directors appointed, a Director shall be elected among themselves to act as the chairperson.

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

If a Shareholders' meeting is convened by a party with the power to convene but other than the Board, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 8

Attendance at Shareholders' meetings shall be calculated based on the number 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 chairperson shall call the meeting to order at the appointed meeting time and announce information related to number shares with no voting rights and attendance.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one 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 chairperson 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 Company Act; all shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within one month.

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

#### Article 9

If a shareholders' meeting is convened by the Board, the meeting agenda shall be set

by the Board. 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.

The chairperson may not declare the meeting adjourned prior to the 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 chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson 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 chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson 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 chairperson.

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 chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson 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 chairperson and the shareholder that has the floor; the chairperson 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 chairperson may respond in person or direct relevant personnel to respond.

#### Article 11

Voting at a shareholders' meeting shall be calculated based on 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 a 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 a 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 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 two 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, two 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 Company Act and in the Company's Memorandum and Articles of Incorporation, 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 chairperson or a person designated by the chairperson 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 number 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 chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When anyone 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 one 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 chairperson 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 chairperson's name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the weights counted); where there is an election of Directors, the number of weighted votes received by each candidate shall be disclosed.

Such records 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 (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 armbands.

The chairperson 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 chairperson 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 chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 17

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson 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 five days in accordance with Article 182 of the Taiwan Company Act.

#### Article 18

The Rules were implemented after being approved by the shareholders' meeting; the same shall apply upon any amendment.

Approved at the extraordinary shareholders' meeting on 1994.11.30

Amended at the annual shareholders' meeting on 2002.05.22

Amended at the annual shareholders' meeting on 2008.06.13

Amended at the annual shareholders' meeting on 2016.06.08

Amended at the annual shareholders' meeting on 2020.06.10

Established at the annual shareholders' meeting on 2021.07.13

## Appendix VI

### ShinKong Insurance Co., Ltd.

#### Regulations for the Election of Directors

Article 1 The election of the Company's Directors shall be subject to the Regulations, unless otherwise required by laws and regulations or the Articles of Incorporation.

Article 2 The overall arrangement of the Board shall be considered for the election of the Company's Directors shall. Diversification shall be considered for the compositions of Board members, and an appropriate diversification policy shall be formulated based on the Company's operations, business patterns, and development requirements, and it is advised that the policy shall include, but not limited to, the standards of the following two major aspects:

I. Basic conditions and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: Professional backgrounds (i.e., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experiences.

Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:

I. The ability to make judgments about operations.

II. Accounting and financial analysis ability.

III. Business management ability.

IV. Crisis management ability.

V. Knowledge of the industry.

VI. An international market perspective.

VII. Leadership ability.

VIII. Decision-making ability.

More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other Director.

The Board of the Company shall consider adjusting its composition based on the results of the performance evaluation.

Article 3 The qualification and election of the Independent Directors of the Company shall be subject to the requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed

Companies.”

Article 4 Elections of Directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of Directors falls below five due to the dismissal of a Director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders’ meeting. When the number of Directors falls short by one-third of the total number prescribed in the Company’s Articles of Incorporation, the Company shall call an extraordinary shareholders’ meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of Independent Directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders’ meeting to fill the vacancy. When the Independent Directors are dismissed en masse, an extraordinary shareholders’ meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5 The cumulative voting method shall be used for the election of the Directors of the Company. Each share will have voting rights in number equal to the Directors to be elected and may be cast for a single candidate or split among multiple candidates.

Article 6 The Board shall prepare separate ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders’ meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7 The number of Directors will be as specified in the Company’s Articles of Incorporation, with voting rights separately calculated for Independent and non-Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article 8 Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board and publicly checked by the vote monitoring personnel before voting commences.

Article 9 A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 10 The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation (including the list of persons elected as Directors and the number of votes with which they were elected) shall be announced by the chairperson on the site.

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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 11 The Board of the Company shall issue notifications to the persons elected as Directors.

Article 12 The Regulations were implemented after being approved by the shareholders' meeting, and the same shall apply upon any amendment.

Approved at the extraordinary shareholders' meeting on 1994.11.30

Amended at the annual shareholders' meeting on 2002.05.22

Amended at the annual shareholders' meeting on 2008.06.13

Amended at the annual shareholders' meeting on 2014.06.20

Established at the annual shareholders' meeting on 2021.06.10

## Appendix VII

### 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 27, 2023), the number of shares held by individual directors and all Directors recorded in the shareholder registry 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	2020.06.10	Three years	143,239	0.05%
Vice chairman	Shieh, Mung-Shiung, Representative of Hong En Co., Ltd.	2020.06.10	Three years	4,514,986	1.43%
Director	Wu, Tong-Sheng, representative of Hong En Co., Ltd.	2020.06.10	Three years		
Director	Chang, Mao-Song, representative of Kong Min Enterprise Co. Ltd.	2020.06.10	Three years	6,115,472	1.94%
Director	Cheng-Pin Yang, representative of Hongpu Co., Ltd.	2020.06.10	Three years	7,412,900	2.35%
Director	Wu, Tung-Sheng, representative of Maxt Inc.	2020.06.10	Three years	20,000	0.01%
Director	Lin, Po-Fong, Shin Kong Wu Ho Su Memorial Hospital	2020.06.10	Three years	1,428,920	0.45%
Director	Ho, Ying-Lan	2020.06.10	Three years	1,312,000	0.42%
Independent Director	Tsai-Shih-Chi	2020.06.10	Three years	0	0.00%
Independent Director	Chi, Wei-Hsuen	2020.06.10	Three years	94,872	0.03%
Independent Director	Chou, Hsien-Tsai	2020.06.10	Three years	26	0.00%
Total shareholding of the Board				21,042,415	6.68%