

Stock ID: 2852

# **The First Insurance Co., Ltd.**



2023 Annual General Meeting

## **Meeting Handbook**

Method for convening the meeting: Convened in a tangible form.

AGM Date: June 27, 2023

AGM venue: No. 88, Section 2, Zhongxiao East Road, Taipei City

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## **2023 Annual General Meeting Procedure of The First Insurance Co., Ltd.**

1. Commencement of meeting
2. Chairperson's opening remarks
3. Reports
4. Acknowledgments
5. Discussions
6. Other discussions and special motions
7. Dismissal

## **2023 Annual General Meeting Agenda of The First Insurance Co., Ltd.**

1. Time: 9:00 am, June 27 (Tuesday), 2023
2. Venue: First Conference Hall, Haihua Financial Center, B1, No. 88, Section 2, Zhongxiao East Road, Taipei City
3. Method for convening the meeting: Convened in a tangible form.
4. Chairperson's opening remarks
5. Reports
  - (1) The Company's 2022 Business Report (please see pages 5-7).
  - (2) The Company's 2022 Audit Committee Report (please see page 8).
  - (3) The Company's 2022 Director and Employee Remuneration Report (please see page 9).
  - (4) Amendments to certain provisions of the Company's Rules of Procedure for Board of Directors Meeting (please see pages 10-11)
6. Acknowledgments

Summary: the Company's 2022 business report and financial statements have been prepared and subsequently audited by Deloitte Taiwan and are available for acknowledgment (proposed by the Board of Directors).

Description: (1) The Company's 2022 business report and financial statements were passed during 6th meeting of the 21st Board of Directors dated March 13, 2023. The financial statements were subsequently audited by Deloitte Taiwan and reviewed by the Audit Committee, for which they have issued separate audit reports. The financial statements are hereby presented for acknowledgment during AGM in accordance with the Articles of Incorporation.

  - (2) The case is ready for acknowledgment (please see pages 5-7 and pages 15-22).

Resolution:

7. Discussions:

- (1) Summary: appropriation of the Company's 2022 earnings (proposed by the Board of Directors).

Description: please refer to the Earnings Appropriation Chart (page 23) for details regarding appropriation of the Company's 2022 earnings.

Resolution:

- (2) Summary: Distribution of the Company's 2022 dividends is ready for approval (proposed by the board of directors).

Description: the Board of Directors has proposed to pay out NT\$216,837,924 from cumulative undistributed earnings as cash dividends. Based on the 301,163,784 shares outstanding, the payout is equivalent to NT\$0.72 per share. The amount of cash dividends receivable by shareholders will be rounded off to the nearest dollar. Fractional amounts of less than NT\$1 will be summed up and allocated based on the size of decimals in descending order and shareholders' account number in ascending order until the total amount of cash dividends is allocated. The Board of Directors shall be authorized to determine details related to the cash dividends, including the baseline date, once the proposal has been resolved in the AGM.

Resolution:

- (3) Summary: The amendments to certain provisions of the Company's "Articles of Incorporation" are ready for approval (proposed by the Board of Directors).

Description: 1. Proposal to make partial amendments to the Articles of Incorporation in line with Article 162 of The Company Act and Correspondence Jin-Guan-Bao-Cai-Zi No.

1110442912 issued by the Financial Supervisory Commission on November 3, 2022.

2. Enclosed please find the “Cross Reference Table for Amendments to Articles of Incorporation of the First Insurance Co., Ltd.” (please refer to pages 24-26).

Resolution:

- (4) Summary: The amendments to certain provisions of the Company's Rules of Procedure for Shareholders’ Meeting are ready for approval (proposed by the Board of Directors).

Description: 1. Proposal to amend the Company's Rules of Procedure for Shareholders’ Meeting in line with Correspondence TWSE-Governance No. 11100042501 issued by the Taiwan Stock Exchange Corporation on March 8, 2022.

2. Enclosed please find the “Rules of Procedure for Shareholders' Meeting of The First Insurance Co., Ltd.” (please refer to Pages 27-41).

Resolution:

8. Other discussions and special motions:

9. Dismissal

## **Business Report**

Ladies and gentlemen:

Welcome to the annual general meeting of The First Insurance Co., Ltd.

2022 started off with a shock as war broke out between Russia and Ukraine, which disrupted the global supply of energy and raw materials while the supply chain strain and resurgence of COVID-19 variants persisted throughout the first half. The situation was compounded by the aggressive rate hikes and tightened monetary supply across major economies in an attempt to contain inflation, which ultimately impacted global trade, increased downside risks of the global economy, and suppressed domestic investments and exports. As the Russia-Ukraine war dragged on to the second half of 2022, expectations for worldwide inflation and rate hike remained high, and commodity trade slowed down to the point where global economic outlook turned grim. With regards to the domestic economy, trade and consumption activities increased due to the release of new high-tech consumer electronics and resumption of normal lifestyle; however, stock market performance was negatively affected by the slowdown of the global economy and loss of terminal demand. According to the Directorate General of Budget, Accounting and Statistics, Executive Yuan, Taiwan's economic growth rate for 2022 was estimated at 2.43%, down 4.1 percentage points from the 6.53% in 2021.

Industry-wise, the non-life insurance industry posted total written premiums of NT\$220.3 billion in 2022, up 6.58% from the NT\$206.7 billion in 2021. The Company managed to generate NT\$7.905 billion of written premiums in 2022, which represented a 5.99% growth over the NT\$7.458 billion in 2021. Below is a breakdown of the Company's 2022 business performance:

### **1. Business aspect**

Fire insurance:

Premium revenues amounted to NT\$1,106,142 thousand and accounted for 13.99% of total premium revenues, representing a 6.28% growth over the NT\$1,040,736 thousand recorded in 2021. Retained loss ratio was calculated at

31.90%.

Marine insurance:

Premium revenues amounted to NT\$415,702 thousand and accounted for 5.26% of total premium revenues, representing a 10.88% growth over the NT\$374,904 thousand recorded in 2021. Retained loss ratio was calculated at 46.79%.

Auto insurance:

Premium revenues amounted to NT\$5,423,478 thousand and accounted for 68.61% of total premium revenues, representing a 4.84% growth over the NT\$5,172,879 thousand recorded in 2021. Retained loss ratio was calculated at 58.98%.

Other insurance:

Premium revenues amounted to NT\$959,628 thousand and accounted for 12.14% of total premium revenues, representing a 10.32% growth over the NT\$869,881 thousand recorded in 2021. Retained loss ratio was calculated at 50.10%.

## 2. Financial aspect

Total assets amounted to NT\$17.654 billion by the end of 2022, which was NT\$793 million higher than the NT\$16.861 billion reported at the end of 2021 and was mainly due to the increase of other financial assets. Total liabilities amounted to NT\$10.091 billion, which was NT\$501 million higher than the NT\$9.59 billion reported at the end of 2021 and was due mainly to the increase of insurance liabilities.

From a global perspective, inflation has leveled but remains relatively high, and further rate hikes from major central banks may put economic activities and asset prices deeper into a downward spiral; meanwhile, the surge of COVID-19 cases in China following the discontinuance of disease control measures combined with its struggle with the U.S. causes global supply chains to shift and restructure at a faster rate; lastly, increasing frequency and impact of weather anomalies present uncertainties to the global food supply, for which research institutions have placed economic growth estimates at the range of 1.5%-2.7% worldwide for 2023.

From a domestic perspective, external factors such as contractionary monetary policies in major economies, ongoing war between Russia and Ukraine, significant slowdown of the global economy, and technological competition between China and the U.S. have significantly limited Taiwan's export performance. However, the recovery of private consumption combined with ongoing capacity expansion by semiconductor manufacturers, increased public infrastructure spending, construction of green energy facilities, and extension of “Three Major Programs for Investing in Taiwan” should provide strong support for domestic demand. Leading organizations forecast that Taiwan's economic growth rate would range from 0.9% to 3.30% this year, which appears to be stable. In response, the Company shall continue focusing on its core business activities while at the same time explore improvements with a focus on stability, pragmatism, and innovation. In terms of asset allocation, the Company will strive to raise capital efficiency and asset yields as a show of gratitude for the support of our shareholders.

Lastly, we would like to give you our best regards for the future ahead.

Chairman: C. H. Lee

President: Chu-Minn Leu

Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.

Audit Committee Report

We have reviewed the Company's 2022 financial statements, business report and earnings appropriation proposal prepared by the Board of Directors. The financial statements have been audited by Deloitte Taiwan retained by the Board of Directors, for which the firm issued an independent auditor's report with an unqualified opinion.

The Audit Committee has reviewed the abovementioned reports prepared by the board of directors and found them to be in compliance with regulatory requirements. We hereby issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act.

For

2023 Annual General Meeting of The First Insurance Co., Ltd.

Audit Committee convener: Jui-Tung Lu

March 13, 2023

## The Company's 2022 director and employee remuneration report

1. Pursuant to Article 31 of the Articles of Incorporation, the Company is required to allocate at least 1% of its annual profits for employee remuneration, and no more than 0.6% for director remuneration.
2. Based on the above criteria, a proposal has been made to allocate NT\$4,115,457 and NT\$6,859,094 for the Company's 2022 director and employee (including managers) remuneration, respectively.
3. This proposal was passed during 2nd meeting of 5th Remuneration Committee dated February 15, 2023, and was subsequently presented to and passed during 5th meeting of 21st Board of Directors dated February 24, 2023.

## The First Insurance Co., Ltd.

### Cross Reference Table for Amendments to Rules of Procedure for Board of Directors Meeting

Amended clauses	Existing clauses	Description
<p>Article 3 Board of directors meetings shall be <u>convened</u> once every quarter. Convention of board meeting shall be communicated to directors 7 days in advance with detailed agenda; however, board meetings may be convened in shorter notices in case of emergency or at the request of more than half of the board members. Meeting advices may be served in various forms such as written correspondence, fax or email. <u>All matters listed in Paragraph 1, Article 7 of the Rules must be proposed as part of the agenda, and can not be raised as a special motion.</u></p>	<p>Article 3 Board of directors meetings shall be <u>convened</u> once every quarter. Convention of board meeting shall be communicated to directors 7 days in advance with detailed agenda; however, board meetings may be convened in shorter notices in case of emergency or at the request of more than half of board members. Meeting advices may be served in various forms such as written correspondence, fax or email.</p>	<p>1. Partially revised wording. 2. Added Paragraph 3 in line with Paragraph 4, Article 3 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies so that directors may have adequate information and time to evaluate each motion before making important decisions that are relevant to the Company's operations.</p>
<p>Article 7 In addition to the scope of board of directors' responsibilities outlined in the Articles of Incorporation, the following issues shall also be raised for discussion during board meetings: (Subparagraphs 1 to 5 omitted) <u>6. Election or dismissal of the Chairman.</u> <u>7. Appointment and dismissal of finance, accounting, or internal audit officers.</u> <u>8. Major donation to non-related party. However, in the occurrence of a major natural disaster, emergency aids of charitable nature can be made first and acknowledged later during the next board of directors meeting.</u> <u>9. Any decisions that must be resolved in a shareholder meeting or a board of directors meeting as required by Article 14-3 of the Act, or relevant regulations or Articles of Incorporation, and any major issues prompted by</u></p>	<p>Article 7 In addition to the scope of board of directors' responsibilities outlined in the Articles of Incorporation, the following issues shall also be raised for discussion during board meetings: (Subparagraphs 1 to 5 omitted) <u>6. Appointment and dismissal of finance, accounting or internal audit managers.</u> <u>7. Major donation to non-related party. However, in the occurrence of a major natural disaster, emergency aids of charitable nature can be made first and acknowledged later during the next board of directors meeting.</u> <u>8. Any decisions that must be resolved in a shareholder meeting or a board of directors meeting as required by Article 14-3 of the Act, or relevant regulations or Articles of Incorporation, and any major issues prompted by the competent authority.</u></p>	<p>1. Added Subparagraph 6 and moved Subparagraphs 6 to 8 to Subparagraphs 7 to 9 in line with Article 7 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies. 2. Amended Paragraph 2 to align with the subparagraphs mentioned in Paragraph 1.</p>

<p>the competent authority. Major donation to non-related party, as mentioned in Subparagraph <u>8</u> above, shall refer to any single or cumulative donations that amount to NT\$100 million or above in a year to the same party, or amounts that accumulate to more than 1% of net revenues or 5% of paid-up capital, as shown in the latest audited financial statements. (Paragraph 3 to Subparagraph 5 omitted)</p>	<p>Major donation to non-related party, as mentioned in Subparagraph <u>7</u> above, shall refer to any single or cumulative donations that amount to NT\$100 million or above in a year to the same party, or amounts that accumulate to more than 1% of net revenues or 5% of paid-up capital, as shown in the latest audited financial statements. (Paragraph 3 to Subparagraph 5 omitted)</p>	
<p>Article 18 The above rules were first established on March 8, 2005. The 1st amendment was made on April 27, 2006 and implemented since January 1, 2007. The 2nd amendment was made on April 28, 2008. The 3rd amendment was made on March 26, 2010. The 4th amendment was made on December 26, 2012. The 5th amendment was made on March 28, 2016, and effected since June 24, 2016. The 6th amendment was made on August 28, 2017. The 7th amendment was made on March 28, 2018. The 8th amendment was made on February 27, 2020. The 9th amendment was made on July 7, 2021.  <u>The 10th amendment was made on August 26, 2022.</u></p>	<p>Article 18 The above rules were first established on March 8, 2005. The 1st amendment was made on April 27, 2006 and implemented since January 1, 2007. The 2nd amendment was made on April 28, 2008. The 3rd amendment was made on March 26, 2010. The 4th amendment was made on December 26, 2012. The 5th amendment was made on March 28, 2016, and effected since June 24, 2016. The 6th amendment was made on August 28, 2017. The 7th amendment was made on March 28, 2018. The 8th amendment was made on February 27, 2020. The 9th amendment was made on July 7, 2021.</p>	<p>Added the date (Month/Day/Year) of the current amendment.</p>

# Independent Auditor's Report

## Audit opinion

We have reviewed the balance sheet of The First Insurance Co., Ltd. as at December 31, 2022 and 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement for periods from January 1 to December 31, 2022 and 2021 and the accompanying footnotes (including summary of major accounting policies).

In our opinion, all material disclosures of the financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, and presented a fair view of the financial position of The First Insurance Co., Ltd. as of December 31, 2022 and 2021, and business performance and cash flow for periods January 1 to December 31, 2022 and 2021.

## Basis of audit opinion

We have conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and applicable auditing standards. Our responsibilities as an auditor under the abovementioned standards will be explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from The First Insurance Co., Ltd. when performing their duties. We believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

## Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment when auditing the 2022 financial statements of The First Insurance Co., Ltd. These issues have already been addressed when we audited and formed our opinions on the financial statements. Therefore we do not provide opinions separately for individual issues.

Key audit issues concerning the 2022 financial statements of The First Insurance Co., Ltd. are as follows:

### Estimation of not reported (NR) and not settled (NS) reserves

The First Insurance Co., Ltd. has an actuarial team that estimates NR/NS reserves based on previous claims and expenses incurred by the various types of insurance, using methods that conform with actuarial principles. The book value of claim reserves (presented as insurance liability) as of December 31, 2022 amounted to NT\$3,198,094 thousand, of which NT\$697,694 thousand were insurance incurred by not reported (IBNR). Because the amount was presented based on the actuarial estimate, any change of assumption or any misjudgment may cause significant changes to profit and loss, and therefore has been listed as a key audit issue for the current year.

For more details on the accounting policy and methodology adopted for claim reserve provisioning, please refer to Note 4(12) and Note 5 of the financial statements. For details on amounts and changes, please refer to Note 38(3) of the financial statements.

We have performed tests to gain insight about the design and execution of various procedures and controls the Company had adopted to estimate IBNR reserves. In addition, we obtained data on direct claims paid by the First Insurance Co., Ltd., for various insurance categories and retained materials related to actual losses to verify the integrity of data used in the actuarial estimate. Our actuarial experts assisted us in evaluating whether the methodologies and assumptions undertaken to provide for IBNR reserves were compliant with laws and establishing proprietary models for validating the rationality of the IBNR reserves provided by the Company.

## **Responsibilities of the management and governing body to the financial statements**

Responsibilities of the management were to prepare and ensure fair presentation of financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, international financial reporting standards approved and published by the Financial Supervisory Commission, the International Accounting Standards and interpretations thereof, and exercise proper internal control practices that are relevant to the preparation of financial statements so that the financial statements are free of material misstatements caused by fraud or error.

The management's responsibilities when preparing financial statements also involved: assessing the ability of The First Insurance Co., Ltd. to operate, disclose information and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governing body of The First Insurance Co., Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

## **Responsibilities of the auditor when auditing financial statements**

The purposes of our audit were to obtain reasonable assurance of whether the financial statements were prone to material misstatements caused by fraud or error, and issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with applicable auditing principles do not necessarily guarantee detection of all material misstatements within the financial statements. Misstatements can be attributed to fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the financial statement user.

When conducting audits in accordance with applicable auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate responsive measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing an opinion on the effectiveness of the internal control system of The First Insurance Co., Ltd.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of The First Insurance Co., Ltd. to operate as a going concern, based on the audit evidence obtained. We are bound to remind financial statement users and make related disclosures if material uncertainties exist regarding the above-mentioned events or circumstances and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based upon audit evidence obtained as of the audit report date. However, occurrences of future events or circumstances may still render The First Insurance Co., Ltd. no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure and contents of the financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the financial statements.

We have communicated with the governance body about the scope, timing and significant findings (including significant defects identified in the internal control) of our audits.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

After communicating with the governance body regarding the 2022 financial statements of The First Insurance Co., Ltd, we have identified the key audit issues. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to the public interest.

Deloitte Taiwan  
CPA: Hai-Yueh Huang

CPA: Sheng-Tai Liang

Approval reference of the Securities and  
Futures Bureau  
Tai-Cai-Zheng-VI-Zi No. 0920131587

Approval reference of the Financial  
Supervisory Commission  
Jin-Guan-Zheng-Shen-Zi No. 1100356048

March 13, 2023

# **The Company's 2022 Financial Statements**

I. Balance Sheet

II. Comprehensive Income Statement

III. Statement of Changes in Equity

IV. Cash Flow Statement

The First Insurance Co., Ltd.  
Balance Sheet  
As at December 31, 2022 and 2021

Unit: NTD thousands

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
11000	Cash and cash equivalents (Notes 4 and 6)	\$ 1,335,225	8	\$ 1,665,303	10
	Receivables				
12100	Notes receivable (Notes 4, 12 and 38)	178,270	1	181,581	1
12200	Premiums receivable (Notes 4, 12, 31 and 38)	20,454	-	146,352	1
12500	Other receivables (Notes 4 and 12)	42,778	-	31,458	-
12000	Total receivables	241,502	1	359,391	2
	Investment				
14110	Financial assets at fair value through profit and loss (Notes 4 and 7)	1,272,653	7	1,325,550	8
14145	Financial assets carried at cost after amortization (Notes 4, 9 and 10)	2,438,062	14	2,122,227	12
14180	Other financial assets (Notes 4, 6 and 11)	5,364,917	30	4,325,352	26
14190	Financial assets at fair value through other comprehensive income (Notes 4, 8 and 10)	2,585,030	15	2,696,464	16
14200	Investment properties (Notes 4 and 13)	887,702	5	892,381	5
14000	Total investment	12,548,364	71	11,361,974	67
	Reinsurance Contracts Assets				
15100	Claims recoverable from reinsurers (Notes 4, 12, 14 and 38)	116,500	1	126,775	1
15200	Re-insurance accounts receivable (Notes 4, 12, 14 and 38)	112,332	1	130,202	1
15300	Re-insurance reserve assets (Notes 4, 14 and 38)	2,016,321	11	1,848,839	11
15000	Total reinsurance contract assets	2,245,153	13	2,105,816	13
16000	Property, plant, and equipment (Notes 4 and 15)	658,434	4	668,397	4
16700	Right-of-use asset (Notes 4 and 16)	5,064	-	4,659	-
17300	Intangible assets (Notes 4 and 17)	39,759	-	42,894	-
17800	Deferred income tax assets (Notes 4 and 26)	26,166	-	43,987	-
	Other assets				
18300	Guarantee deposits paid (Notes 8 and 18)	525,331	3	580,355	4
18700	Other assets - Others (Note 19)	28,682	-	28,283	-
18000	Total other assets	554,013	3	608,638	4
1XXXX	TOTAL ASSETS	\$ 17,653,680	100	\$ 16,861,059	100
Code	Liabilities and equity				
	Payables				
21100	Notes payable	\$ 7,691	-	\$ 6,008	-
21200	Insurance claims and benefits payable (Notes 4 and 38)	-	-	16,560	-
21400	Commission payable (Note 38)	114,403	1	118,487	1
21500	Re-insurance accounts payable (Notes 4 and 38)	309,253	2	300,595	2
21600	Other payables (Note 20)	188,899	1	194,113	1
21000	Total payables	620,246	4	635,763	4
21700	Current income tax liabilities (Note 4)	49,808	-	51,259	-
23800	Lease liabilities (Notes 4 and 16)	5,128	-	4,726	-
	Insurance liabilities (Notes 4, 5, 21 and 38)				
24100	Unearned premium reserve	4,145,536	24	4,011,338	24
24200	Claim reserve	3,198,094	18	2,813,193	17
24400	Special claim reserve	1,826,863	10	1,750,650	10
24500	Deficiency reserve	1,017	-	587	-
24000	Total insurance liabilities	9,171,510	52	8,575,768	51
27100	Provision for employee benefits (Notes 4 and 22)	51,829	-	121,210	1
28000	Deferred income tax liabilities (Notes 4 and 26)	108,291	1	92,934	-
	Other liabilities				
25300	Guarantee deposits received	14,524	-	14,186	-
25900	Other liabilities - Others (Note 23)	69,810	-	93,795	1
25000	Total other liabilities	84,334	-	107,981	1
2XXXX	Total liabilities	10,091,146	57	9,589,641	57
31000	Share capital (Note 24)	3,011,638	17	3,011,638	18
	Retained earnings (Note 24)				
33100	Legal reserve	1,580,672	9	1,433,870	8
33200	Special reserve	2,359,679	13	2,140,240	13
33300	Undistributed earnings	324,592	2	512,615	3
33000	Total retained earnings	4,264,943	24	4,086,725	24
34000	Other equity (Note 24)	285,953	2	173,055	1
3XXXX	Total equity	7,562,534	43	7,271,418	43
	Total liabilities and equity	\$ 17,653,680	100	\$ 16,861,059	100

The accompanying notes are an integral part of the financial statements.

Chairman: C. H. Lee

Manager: Hsin-Kun Chen

Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.

Statement of Comprehensive Income

For periods from January 1 to December 31, 2022 and 2021

Unit: NTD thousands, except EPS which is in dollars

Code		2022		2021		Variation percentage (%)
		Amount	%	Amount	%	
	Operating revenues (Note 4)					
41110	Written premiums (Notes 31 and 38)	\$ 7,904,950	114	\$ 7,458,400	114	6
41120	Reinsurance Premium	<u>429,483</u>	<u>6</u>	<u>410,919</u>	<u>6</u>	5
41100	Premium revenues	8,334,433	120	7,869,319	120	6
51100	Less: reinsurance premiums expense	( 1,949,219 )	( 28 )	( 1,795,111 )	( 27 )	9
51310	Less: Net change in unearned premium reserve	( <u>107,584</u> )	( <u>1</u> )	( <u>178,244</u> )	( <u>3</u> )	( 40 )
41130	Retained Earned Premium	<u>6,277,630</u>	<u>91</u>	<u>5,895,964</u>	<u>90</u>	6
41300	Re-insurance commissions received (Note 38)	<u>301,006</u>	<u>4</u>	<u>293,692</u>	<u>5</u>	2
41400	Service fee	<u>24,200</u>	<u>-</u>	<u>24,566</u>	<u>-</u>	( 1 )
	Net investment gains					
41510	Interest income (Note 25)	88,902	1	71,957	1	24
41521	Gains (losses) on financial assets or liabilities at fair value through profit and loss	( 22,794 )	-	99,207	1	( 123 )
41527	Realized gains/losses on financial assets at fair value through other comprehensive income (Note 8(1))	124,802	2	120,440	2	4
41550	Gain (loss) on exchange - investment (Note 25)	74,048	1	( 18,833 )	-	493
41570	Gains (losses) on investment property (Note 25)	53,256	1	52,144	1	2
41585	Expected credit impairment loss on investment	( <u>3,910</u> )	<u>-</u>	( <u>2,373</u> )	<u>-</u>	65
41500	Total net investment gains	<u>314,304</u>	<u>5</u>	<u>322,542</u>	<u>5</u>	( 3 )
	Other operating revenues					
41830	Gain on exchange - non-investment (Note 25)	14,113	-	-	-	-
41890	Other operating revenues - Others	<u>1,628</u>	<u>-</u>	<u>3,154</u>	<u>-</u>	( 48 )
41000	Total operating revenues	<u>6,932,881</u>	<u>100</u>	<u>6,539,918</u>	<u>100</u>	6
	Operating Cost					
	Retained claims and benefits (Notes 31 and 38)					
51200	Insurance claim and benefit payments	4,009,053	58	3,994,404	61	-
41200	Less: Claims recovered from reinsurers	( <u>820,578</u> )	( <u>12</u> )	( <u>933,702</u> )	( <u>14</u> )	( 12 )
51260	Total retained claims and benefits paid	<u>3,188,475</u>	<u>46</u>	<u>3,060,702</u>	<u>47</u>	4

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Code		2022		2021		Variation percentage (%)
		Amount	%	Amount	%	
	Net change in other liabilities (Note 38)					
51320	Net change in claim reserves	\$ 244,033	3	\$ 108,378	1	125
51340	Net change in special claim reserves	76,213	1	53,991	1	41
51350	Net change in premium deficiency reserves	<u>430</u>	-	( <u>6,125</u> )	-	107
51300	Total net change in other liabilities	<u>320,676</u>	<u>4</u>	<u>156,244</u>	<u>2</u>	105
51510	Commission expenses (Note 38)	<u>1,099,267</u>	<u>16</u>	<u>1,046,478</u>	<u>16</u>	5
51600	Service charges (Note 38)	<u>129,912</u>	<u>2</u>	<u>133,317</u>	<u>2</u>	( 3 )
	Other operating costs					
51810	Contribution to insurance stabilization fund (Note 38)	15,095	-	14,298	-	6
51830	Interest expenses	18	-	35	-	( 49 )
51850	Loss on exchange - non-investment (Note 25)	-	-	6,821	-	( 100 )
51890	Other operating costs - Others	<u>4</u>	-	<u>50</u>	-	( 92 )
51800	Total other operating costs	<u>15,117</u>	-	<u>21,204</u>	-	( 29 )
51000	Total operating costs	<u>4,753,447</u>	<u>68</u>	<u>4,417,945</u>	<u>67</u>	8
60000	Gross profit	<u>2,179,434</u>	<u>32</u>	<u>2,121,973</u>	<u>33</u>	3
	Operating expenses (Notes 25 and 31)					
58100	Selling expenses	1,396,779	20	1,376,093	21	2
58200	Administrative expenses	105,348	2	96,869	2	9
58300	Staff training expenses	<u>2,135</u>	-	<u>2,687</u>	-	( 21 )
58000	Total operating expenses	<u>1,504,262</u>	<u>22</u>	<u>1,475,649</u>	<u>23</u>	2
61000	Operating profit	<u>675,172</u>	<u>10</u>	<u>646,324</u>	<u>10</u>	4
	Non-operating income and expenses					
59400	Asset retirement loss	( 142 )	-	( 861 )	-	( 84 )
59500	Recovery of bad and overdue debts	46	-	36	-	28
59920	Sundry income	3	-	119	-	( 97 )
59990	Other non-operating expenses (Note 16)	( <u>145</u> )	-	( <u>143</u> )	-	1
59000	Total non-operating income and expenses	( <u>238</u> )	-	( <u>849</u> )	-	( 72 )
62000	Operating income before tax	674,934	10	645,475	10	5
63000	Income tax expenses (Notes 4 and 26)	<u>116,087</u>	<u>2</u>	<u>92,338</u>	<u>2</u>	26
66000	Current net income	<u>558,847</u>	<u>8</u>	<u>553,137</u>	<u>8</u>	1

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Code		2022		2021		Variation percentage (%)
		Amount	%	Amount	%	
	Other comprehensive income (Note 24)					
83100	Items not reclassified into profit and loss					
83110	Revaluation of defined benefit plan (Notes 4 and 22)	\$ 59,642	1	( \$ 5,140 )	-	1,260
83180	Income tax on items not reclassified into profit and loss (Note 26)	( 11,929 )	-	1,028	-	( 1,260 )
83190	Gains/losses on valuation of equity instruments at fair value through other comprehensive income	<u>106,553</u>	<u>1</u>	<u>125,616</u>	<u>2</u>	( 15 )
	Total items not reclassified into profit and loss	<u>154,266</u>	<u>2</u>	<u>121,504</u>	<u>2</u>	27
83200	Items likely to be reclassified into profit and loss					
83290	Gains/losses on debt instruments at fair value through other comprehensive income	( <u>57,589</u> )	( <u>1</u> )	( <u>59,900</u> )	( <u>1</u> )	( 4 )
83000	Other comprehensive income for the current period (net, after-tax)	<u>96,677</u>	<u>1</u>	<u>61,604</u>	<u>1</u>	57
85000	Total comprehensive income - current	<u>\$ 655,524</u>	<u>9</u>	<u>\$ 614,741</u>	<u>9</u>	7
	Earnings per share (Note 27)					
97500	Basic	<u>\$ 1.86</u>		<u>\$ 1.84</u>		
98500	Diluted	<u>\$ 1.85</u>		<u>\$ 1.84</u>		

The accompanying notes are an integral part of the financial statements.

Chairman: C. H. Lee

Manager: Hsin-Kun Chen

Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.  
Statement of Changes in Equity  
For periods from January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		Retained Earnings				Other Equity	Total equity
		Share capital	Legal reserve	Special reserve	Undistributed earnings	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2021	\$ 3,011,638	\$ 1,362,943	\$ 1,916,502	\$ 178,675	\$ 292,326	\$ 6,762,084
	Appropriation and distribution of earnings:						
B1	Legal reserve	-	70,927	-	( 70,927)	-	-
B3	Special reserve	-	-	223,738	( 223,738)	-	-
B5	Cash dividend	-	-	-	( 105,407)	-	( 105,407)
D1	2021 net income	-	-	-	553,137	-	553,137
D3	2021 other comprehensive income	-	-	-	( 4,112)	65,716	61,604
D5	2021 total comprehensive income	-	-	-	549,025	65,716	614,741
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	184,987	( 184,987)	-
Z1	Balance as of December 31, 2021	3,011,638	1,433,870	2,140,240	512,615	173,055	7,271,418
	Appropriation and distribution of earnings:						
B1	Legal reserve	-	146,802	-	( 146,802)	-	-
B3	Special reserve	-	-	219,439	( 219,439)	-	-
B5	Cash dividend	-	-	-	( 364,408)	-	( 364,408)
D1	2022 net income	-	-	-	558,847	-	558,847
D3	2022 other comprehensive income	-	-	-	47,713	48,964	96,677
D5	2022 total comprehensive income	-	-	-	606,560	48,964	655,524
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	( 63,934)	63,934	-
Z1	Balance as of December 31, 2022	<u>\$ 3,011,638</u>	<u>\$ 1,580,672</u>	<u>\$ 2,359,679</u>	<u>\$ 324,592</u>	<u>\$ 285,953</u>	<u>\$ 7,562,534</u>

The accompanying notes are an integral part of the financial statements.

Chairman: C. H. Lee

Manager: Hsin-Kun Chen

Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.

Cash Flow Statement

For periods from January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		2022	2021
	Cash flow from operating activities		
A10000	Pre-tax profit for the current period	\$ 674,934	\$ 645,475
A20000	Adjustments:		
A20010	Income, expenses and losses		
A20100	Depreciation	34,141	29,529
A20200	Amortization	16,415	15,718
A20900	Interest expenses	163	178
A21200	Interest income	( 88,902 )	( 71,957 )
A21300	Dividend income	( 155,106 )	( 143,312 )
A21400	Net change of various reserves - current	595,742	338,802
A21830	Expected credit impairment loss on investment	3,910	2,373
A22500	Loss on disposal of property, plant and equipment	142	777
A22700	Loss on disposal of investment property	-	84
A24100	Unrealized (gain) loss on foreign exchange	( 76,786 )	20,981
A50000	Change in assets/liabilities related to operating activities		
A51110	Notes receivable	3,311	( 38,096 )
A51120	Premiums receivable	125,898	26,439
A51130	Other receivables	( 42 )	30,904
A51140	Gains on financial assets or liabilities at fair value through profit and loss	52,897	614,727
A51141	Financial assets at fair value through other comprehensive income	207,022	365,067
A51145	Debt instrument investments measured at cost after amortization	( 321,990 )	( 367,986 )
A51160	Other financial assets	( 966,239 )	( 1,592,648 )
A51170	Reinsurance Contracts Assets	( 139,337 )	45,083
A51190	Guarantee deposits paid	4,940	1,213
A51990	Other assets	( 399 )	( 854 )
A52110	Notes payable	1,683	186
A52120	Claims payable	( 16,560 )	13,574
A52140	Commission payable	( 4,084 )	2,862

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Code		2022	2021
A52150	Reinsurance accounts payable	\$ 8,658	( \$ 42,906 )
A52160	Other payables	( 5,214 )	( 15,569 )
A52200	Provisions for employee benefits	( 9,739 )	( 26,902 )
A52240	Guarantee deposits received	338	( 344 )
A52990	Other liabilities	( 23,985 )	367
A33000	Cash outflow from operations	( 78,189 )	( 146,235 )
A33100	Interests received	83,329	79,663
A33200	Dividends received	155,106	143,312
A33300	Interests paid	( 163 )	( 178 )
A33500	Income tax paid	( 96,289 )	( 33,432 )
AAAA	Net cash inflow from operating activities	63,794	43,130
	Cash flow from investing activities		
B02700	Acquisition of property and equipment	( 15,555 )	( 27,898 )
B04500	Acquisition of intangible assets	( 13,280 )	( 14,506 )
B05400	Acquisition of investment property	-	( 157 )
BBBB	Net cash outflow from investing activities	( 28,835 )	( 42,561 )
	Cash flow from financing activities		
C04020	Repayment of lease principal	( 4,089 )	( 3,322 )
C04500	Cash dividends paid	( 364,408 )	( 105,407 )
CCCC	Net cash outflow from financing activities	( 368,497 )	( 108,729 )
DDDD	Exchange rate effects on cash	3,460	( 1,861 )
EEEE	Decrease in cash and cash equivalents for the current period	( 330,078 )	( 110,021 )
E00100	Opening cash and cash equivalents	1,665,303	1,775,324
E00200	Closing cash and cash equivalents	\$ 1,335,225	\$ 1,665,303

The accompanying notes are an integral part of the financial statements.

Chairman: C. H. Lee

Manager: Hsin-Kun Chen

Head of Accounting: Fei-Fen Hsiao

# The First Insurance Co., Ltd.

## Earnings Appropriation Chart

2022

Unit: NTD

Item	Amount
Opening undistributed earnings	\$2,856,848
Remeasured amount of defined benefit plans recognized into retained earnings	47,714,190
The accumulated gains or losses from disposal of the investment in equity instruments at fair value through other comprehensive income are transferred directly into retained earnings.	(63,935,047)
Adjusted undistributed earnings	(13,364,009)
Add: Current net income	558,847,557
Add: Reversal of 2016 to 2018 special reserve for FinTech development	874,118
Less: Provision for legal reserve (1)	(108,525,340)
Less: Provision for special reserve (Note 2)	(220,723,864)
Less: Provision for special reserve (Note 3)	(167,768)
Distributable earnings in the current period	216,940,694
Distributions:	
Bonus to shareholders (cash dividends at NT\$0.72 per share)	(\$216,837,924)
Closing undistributed earnings	\$102,770

Note 1: Determined according to the Insurance Act and the Articles of Incorporation.

Note 2: Determined according to Articles 8, 9 and 10 of "Regulations Governing Provision of Reserves for Insurance Industry."

Note 3: Per the Letter Jin-Guan-Bao-Cai-Zi No. 10904939031 issued by the authority.

Note 4: The Company's distribution of bonus to shareholders was based on the 301,163,784 outstanding shares in total.

Chairman: C. H. Lee

Manager: Hsin-Kun Chen

Head of Accounting: Fei-Fen Hsiao

**The First Insurance Co., Ltd.**  
**Cross Reference Table for the Amendments to Articles of  
Incorporation**

Amended clauses	Existing clauses	Description
<p>Article 7:  Shares of the Company are issued to registered owners. Share certificates shall be signed or sealed by directors <u>who are representative of the Company</u> and issued after being certified by <u>any bank that is legally eligible to serve as certifier</u>. The Company is not required to print share certificates for publicly issued shares, but shall register the shares with the centralized securities depository institutions.</p>	<p>Article 7:  The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of <u>at least three directors</u>, subject to certification by <u>the competent authority or any of its approved institutes</u>. The Company is not required to print share certificates for publicly issued shares, but shall register the shares with the centralized securities depository institutions.</p>	<p>Partial amendments were made in line with Article 162 of The Company Act.</p>
<p>Article 31:  (Paragraphs 1 to 2 omitted)  Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 20% provision of legal reserve, unless the legal reserve has reached the level of the total capital of the Company and provision or reversal of special reserve as required by the authority. The Company may retain an appropriate amount of earnings before distributing the remainder to shareholders as dividends.</p>	<p>Article 31:  (Paragraphs 1 to 2 omitted)  Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 20% provision of legal reserve, unless the legal reserve has reached the level of the total capital of the Company and provision or reversal of special reserve as required by the authority. The Company may retain an appropriate amount of earnings before distributing the remainder to shareholders as dividends.  <u>With respect to the earnings appropriation proposal mentioned above, the Board of Directors is authorized to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a Board of Directors meeting where more than two-thirds of the Board is present, and voted in favor of by more than half of all directors present at the meeting.</u></p>	<p>To proceed according to Correspondence Jin-Guan-Bao-Cai-Zi No. 1110442912 issued by the Financial Supervisory Commission on November 3, 2022.</p>
<p>Article 35:</p>	<p>Article 35:</p>	<p>Added revision</p>

<p>The Articles of Incorporation were established on August 18, 1962; the 1st amendment was made on April 20, 1967; the 2nd amendment was made on April 12, 1969; the 3rd amendment was made on March 28, 1970; the 4th amendment was made on March 21, 1971; the 5th amendment was made on April 20, 1974; the 6th amendment was made on May 22, 1976; the 7th amendment was made on June 11, 1977; the 8th amendment was made on June 17, 1978; the 9th amendment was made on June 2, 1979; the 10th amendment was made on May 28, 1981; the 11th amendment was made on June 18, 1982; the 12th amendment was made on June 29, 1985; the 13th amendment was made on June 23, 1990; the 14th amendment was made on June 21, 1991; the 15th amendment was made on June 23, 1992; the 16th amendment was made on May 27, 1993; the 17th amendment was made on May 25, 1994; the 18th amendment was made on May 25, 1995; the 19th amendment was made on May 29, 1996; the 20th amendment was made on May 29, 1997; the 21st amendment was made on May 29, 1998; the 22nd amendment was made on May 28, 1999; the 23rd amendment was made on May 10, 2000; the 24th amendment was made on May 25, 2001; the 25th amendment was made on May 30, 2002; the 26th amendment was made on May 30, 2003; the 27th amendment was made on May 27, 2004; the 28th amendment was made on May 26, 2005; the 29th amendment was made on June 9, 2006; the 30th amendment was made on June 15, 2007; the 31st amendment was made on June 13, 2008; the 32nd amendment was made on June 25, 2010; the 33rd</p>	<p>The Articles of Incorporation was established on August 18, 1962; the 1st amendment was made on April 20, 1967; the 2nd amendment was made on April 12, 1969; the 3rd amendment was made on March 28, 1970; the 4th amendment was made on March 21, 1971; the 5th amendment was made on April 20, 1974; the 6th amendment was made on May 22, 1976; the 7th amendment was made on June 11, 1977; the 8th amendment was made on June 17, 1978; the 9th amendment was made on June 2, 1979; the 10th amendment was made on May 28, 1981; the 11th amendment was made on June 18, 1982; the 12th amendment was made on June 29, 1985; the 13th amendment was made on June 23, 1990; the 14th amendment was made on June 21, 1991; the 15th amendment was made on June 23, 1992; the 16th amendment was made on May 27, 1993; the 17th amendment was made on May 25, 1994; the 18th amendment was made on May 25, 1995; the 19th amendment was made on May 29, 1996; the 20th amendment was made on May 29, 1997; the 21st amendment was made on May 29, 1998; the 22nd amendment was made on May 28, 1999; the 23rd amendment was made on May 10, 2000; the 24th amendment was made on May 25, 2001; the 25th amendment was made on May 30, 2002; the 26th amendment was made on May 30, 2003; the 27th amendment was made on May 27, 2004; the 28th amendment was made on May 26, 2005; the 29th amendment was made on June 9, 2006; the 30th amendment was made on June 15, 2007; the 31st amendment was made on June 13, 2008; the 32nd amendment was made on June 25, 2010; the 33rd</p>	<p>dates.</p>
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<p>amendment was made on June 28, 2012; the 34th amendment was made on June 26, 2015; the 35th amendment was made on June 24, 2016; the 36th amendment was made on June 23, 2022; <u>and the 37th amendment was made on MM/DD/2023.</u></p>	<p>amendment was made on June 28, 2012; the 34th amendment was made on June 26, 2015; the 35th amendment was made on June 24, 2016; and the 36th amendment was made on June 23, 2022.</p>	
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**The First Insurance Co., Ltd.**  
**Cross Reference Table for Amendments to Rules of Procedure for**  
**Shareholders' Meeting**

Amended clauses	Existing clauses	Description
<p>Article 2            (Paragraph 1 omitted)  <u>Any change to the form of shareholder meeting is subject to board of directors' resolution, and shall be made no later than the day on which the shareholder meeting advice is mailed.</u></p> <p>The Company shall compile an electronic file that contains the meeting advice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the re-election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting, an electronic copy of the shareholder meeting manual and supplementary information shall be prepared and posted onto MOPS. Hard copies of the shareholder meeting conference handbook and supplementary information also have to be prepared at least 15 days before the meeting and made accessible by shareholders at any time. These documents must be made available at the Company's premises and at the share transfer agent, and distributed on-site during the shareholder meeting.</p> <p><u>The Company shall provide shareholders with the aforementioned conference handbook and supplementary information on the day of shareholder meeting in the</u></p>	<p>Article 2            (Paragraph 1 omitted)</p> <p>The Company shall compile an electronic file that contains the meeting advice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the re-election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting, an electronic copy of the shareholder meeting manual and supplementary information shall be prepared and posted onto MOPS. Physical copies of the shareholder meeting manual and supplementary information shall be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at the share administration agency, <u>and distributed on-site during the shareholder meeting.</u></p>	<p>Added Paragraphs 2 and 4, amended Paragraph 3, and adjusted paragraph number to conform with Announcement TWSE-Governance No. 1110004250 issued by Taiwan Stock Exchange Corporation on March 8, 2022 regarding amendments to Article 3 of "Sample Template for Rules of Procedure for Shareholders' Meeting."</p>

<p><u>following manner:</u></p> <ol style="list-style-type: none"> <li>1. <u>Distribute on-site, if a physical shareholder meeting is held.</u></li> <li>2. <u>Distribute on-site and upload electronic files onto the video conferencing platform, if a physical shareholder meeting is held in conjunction with a video conference.</u></li> <li>3. <u>Upload electronic files onto the video conferencing platform, if a virtual shareholder meeting is held.</u></li> </ol> <p>(Paragraphs 5 to 10 omitted)</p>	<p>(Paragraphs 3 to 8 omitted)</p>	
<p>Article 3 (Paragraphs 1 to 3 omitted) <u>Should the shareholder decide to attend virtual shareholder meeting after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, vote of the proxy attendee shall prevail.</u></p>	<p>Article 3 (Paragraphs 1 to 3 omitted)</p>	<p>Added Paragraph 4 in line with Article 4 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
<p>Article 4 The meeting advice shall specify details such as admission time for shareholders, <u>proxy form acquirers, and proxies (collectively referred to as shareholders below)</u>, admission location, and important notes as deemed relevant. Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with adequate and competent personnel. <u>In the case of virtual shareholder meeting, admission of meeting participants shall take place on the video conferencing platform within the 30 minutes before meeting commences; shareholders who complete the admission are deemed to have attended the shareholder</u></p>	<p>Article 4 The meeting advice must specify details such as meeting time, venue, and important notes where relevant.  Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with competent personnel.</p>	<p>Amended Paragraphs 1 to 3 in line with Article 6 of “Sample Template for Rules of Procedure for Shareholders' Meeting”; relocated Paragraph 5 to Paragraph 1, Article 9, and added Paragraphs 7 and 8.</p>

<p><u>meeting personally.</u> Shareholders shall attend shareholder meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification.</p> <p>(Paragraph 4 omitted)</p> <p>(Paragraphs 5 to 6 omitted) <u>In the case of virtual shareholder meeting, shareholders who wish to attend the meeting by way of video conference shall register their spot with the Company at least two days before the meeting.</u> <u>In the case of virtual shareholder meeting, the Company shall upload all relevant data such as the conference handbook and annual report onto the video conferencing platform at least 30 minutes before the meeting commences, and disclose continuously until the meeting ends.</u></p>	<p><u>Shareholders and representatives thereof (collectively referred to as shareholders)</u> shall attend shareholder meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification. (Paragraph 4 omitted) <u>The number of shares represented by shareholders present at the meeting shall be calculated in accordance with those indicated on the sign-in book or the attendance cards, as well as shares with voting rights exercised in writing or by means of electronic transmission.</u></p> <p>(Paragraphs 6 to 7 omitted)</p>	
<p><u>Article 5</u> <u>When hosting a virtual shareholder meeting, the Company shall specify the following details in the shareholder meeting advice:</u> 1. <u>The methods by which shareholders may participate in the virtual meeting and exercise rights.</u> 2. <u>Methods for resolving malfunction of the video</u></p>		<p>The Article was added to conform with Article 6-1 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>

<p><u>conferencing platform or discontinuance of live stream that is caused by natural disaster, manmade incident, or other force majeure event, which must include at least the following:</u></p> <p>(1) <u>The time or date that the meeting will be postponed until, if the above disruption persists and cannot be resolved in time.</u></p> <p>(2) <u>The restriction that shareholders who did not register for the original virtual shareholder meeting are unable to participate in the postponed/adjourned meeting.</u></p> <p>(3) <u>If a physical shareholder meeting is held in conjunction with video conference and the video conference discontinues but the number of shares represented on-site still exceeds the legal minimum after excluding those who participated via video conference, the shareholder meeting shall continue to proceed. In which case, the number of shares represented by all who participate via video conference shall be added to the total number of shares represented at the meeting, but are considered to have waived their rights to vote on all motions of the current shareholder meeting.</u></p> <p>(4) <u>The Company's approach to the situation where outcomes of all regular motions have been concluded but the meeting has yet to progress into special motions.</u></p> <p>3. <u>Appropriate alternative measures for shareholders who have</u></p>		
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<p><u>difficulties participating in the shareholder meeting via video conference.</u></p>		
	<p><u>Article 5</u>  <u>Attendance and votes during shareholder meetings shall be calculated based on number of shares held.</u></p>	<p>Deleted as rules on shareholder meeting attendance and voting have already been addressed in Article 9 and Article 13.</p>
<p>Article 6  (Paragraph 1 omitted)  <u>Virtual shareholder meetings are not subject to the location restrictions stated in the preceding Paragraph.</u></p>	<p>Article 6  (Paragraph 1 omitted)</p>	<p>Added Paragraph 2 in line with Article 5 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
<p>Article 7  <u>Shareholders’ meetings shall be convened by the Board of Directors and chaired by the Chairman.</u> If the Chairman is unable to fulfill duties due to leave of absence or any other reason, a person in an capacity shall be appointed according to Article 208 of the Company Act. For shareholders’ meetings that are convened by any authorized party other than the Board of Directors, the convener shall chair the meeting. If there are two or more eligible conveners at the same time, one shall be appointed among themselves to chair the meeting.</p> <p>(Paragraphs 2 to 3 omitted)  <u>The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.</u></p>	<p>Article 7  <u>Unless otherwise specified in the Company Act, shareholders’ meetings shall be convened by the Board of Directors and chaired by the Chairman.</u> If the Chairman is unable to fulfill duties due to leave of absence or any other reason, a person in an capacity shall be appointed according to Article 208 of the Company Act. For shareholders’ meetings that are convened by any authorized party other than the Board of Directors, the convener shall chair the meeting. If there are two or more eligible conveners at the same time, one shall be appointed among themselves to chair the meeting.</p> <p>(Paragraphs 2 to 3 omitted)</p>	<p>Amended Paragraph 1 and moved Paragraph 1, Article 8 to Paragraph 4 of this Article in line with Article 7 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
	<p><u>Article 8</u>  <u>The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.</u>  <u>Organizers of the shareholder</u></p>	<p>Moved Paragraph 1 from the former Article to Paragraph 4, Article 7, and Paragraph 2 from the former Article</p>

	<u>meeting must wear proper identification or arm badges.</u>	to Paragraph 1, Article 19.
<p><u>Article 8</u> (Paragraphs 1 to 2 omitted) <u>In the case of virtual shareholder meeting, the Company shall record and retain details of shareholders' registration, admission, queries, votes, and the final vote count. The entire meeting proceeding shall also be recorded non-stop in audio and video.</u> <u>The abovementioned data and recordings shall be kept properly for as long as the Company exists; a copy of the recording shall also be retained by the video conference service provider.</u> <u>In the case of virtual shareholder meeting, the Company should also record the back-end user interface on the video conferencing platform.</u></p>	<p><u>Article 9</u> (Paragraphs 1 to 2 omitted)</p>	<p>1. Adjusted article numbering. 2. Added Paragraphs 3 to 5 in line with Article 8 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
<p><u>Article 9</u> <u>Attendance in a shareholder meeting is calculated based on the number of shares represented. The number of shares represented in a meeting is calculated based on attendance log records or the attendance cards collected and the number of shares represented on the video conferencing platform, plus the number of shares that have voting rights exercised in writing or through electronic means.</u> (Paragraph 2 omitted) 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 attending shareholders still represent more than one-third but less than half of outstanding shares after two postponements, a tentative resolution may be passed in accordance with Paragraph 1,</p>	<p><u>Article 10</u>  (Paragraph 1 omitted) 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 attending shareholders represent more than one-thirds but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative</p>	<p>1. Adjusted article numbering. 2. Added Paragraph 1 and amended Paragraph 3 in line with Article 9 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>

<p>Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder, and another shareholders' meeting shall be held within the next month. <u>In the case of virtual shareholder meeting, shareholders who wish to join the postponed meeting are required to register again with the Company according to Article 4.</u></p> <p>(Paragraph 4 omitted)</p>	<p>resolution according to Paragraph 1, Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder and another shareholder meeting shall be held within the next month.</p> <p>(Paragraph 3 omitted)</p>	
<p><u>Article 10</u> (Paragraphs 1 to 4 omitted) <u>The chairperson shall allow ample opportunity during the meeting to explain and discuss proposals and amendments or special 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, call for a vote, and schedule sufficient time for voting.</u></p>	<p><u>Article 11</u> (Paragraphs 1 to 4 omitted)</p>	<ol style="list-style-type: none"> <li>1. Adjusted article numbering.</li> <li>2. Moved Article 18 to Paragraph 5 of this Article in line with Article 10 of "Sample Template for Rules of Procedure for Shareholders' Meeting."</li> </ol>
<p><u>Article 11</u> (Paragraph 1 omitted)</p>	<p><u>Article 12</u> (Paragraph 1 omitted)</p>	<p>Adjusted article numbering.</p>
<p><u>Article 12</u> (Paragraphs 1 to 2 omitted) <u>Each shareholder shall speak no more than two times, for 5 minutes each, on the same motion unless otherwise agreed by the chair. The chair may stop shareholders from speaking if they violate any terms of the conference rules or speak outside the discussed topic.</u> While a shareholder is speaking, other shareholders can not speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson. <u>Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one</u></p>	<p><u>Article 13</u> (Paragraphs 1 to 2 omitted)</p> <p>While a shareholder is speaking, other shareholders can not speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.</p>	<ol style="list-style-type: none"> <li>1. Adjusted article numbering.</li> <li>2. Moved Article 14 to Paragraph 3, moved Article 15 to Paragraph 5, moved Article 16 to Paragraph 6, and added Paragraphs 7 and 8 in line with "Sample Template for Rules of Procedure for Shareholders' Meeting, Article 11".</li> </ol>

<p><u>representative may speak for each discussed topic.</u>  <u>After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.</u>  <u>In the case of virtual shareholder meeting, shareholders who participate by way of video conference may raise queries through text over the video conferencing platform at any time after the chair announces commencement of meeting until the meeting is adjourned. These shareholders may not raise more than two queries of 200 words each per motion, and are not subject to the rules outlined in Paragraphs 1 to 5.</u>  <u>These queries should be published on the video conferencing platform for public knowledge, provided that they do not violate applicable rules and are relevant to the motion discussed.</u></p>		
	<p><u>Article 14</u>  <u>Shareholder cannot speak for more than two times, for 5 minutes each, on the same topic without the consent of the chairperson. The chairperson may restrain shareholders in violation of the above rule or interrupt any comments that are irrelevant to the topics discussed.</u></p>	<p>Moved the former Article to Paragraph 3, Article 12.</p>
	<p><u>Article 15</u>  <u>Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak for each discussed topic.</u></p>	<p>Moved the former Article to Paragraph 5, Article 12.</p>
	<p><u>Article 16</u>  <u>After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.</u></p>	<p>Moved the former Article to Paragraph 6, Article 12.</p>

<p><u>Article 13</u> (Paragraphs 1 to 5 omitted)</p>	<p><u>Article 17</u> (Paragraphs 1 to 5 omitted)</p>	<p>Adjusted article numbering.</p>
	<p><u>Article 18</u> The chairperson shall allow ample opportunity during the meeting to explain and discuss proposals and amendments or special 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, call for a vote, and schedule sufficient time for voting.</p>	<p>Moved the former Article to Paragraph 5, Article 10.</p>
	<p><u>Article 19</u> The chairperson will appoint a ballot examiner and a ballot counter; the ballot examiner must be a shareholder. Discussion and election votes are to be counted openly at the shareholder meeting. Results of the vote, including the final tally, must be announced on-site and recorded in minutes.</p>	<p>Moved the former Article to Paragraphs 7 and 8, Article 15.</p>
<p><u>Article 14</u> (Paragraphs 1 to 3 omitted)</p>	<p><u>Article 20</u> (Paragraphs 1 to 3 omitted)</p>	<p>Adjusted article numbering.</p>
<p><u>Article 15</u> (Paragraphs 1 to 3 omitted) Shareholders who wish to attend the shareholder meeting in person or via video conferencing after exercising their voting rights in writing or using electronic methods are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than two days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If the shareholder has exercised written or electronic votes and at the same time delegated a proxy to attend the shareholder meeting, then the voting decision exercised by the proxy shall prevail. (Paragraph 5 omitted) <u>In cases where several amendment</u></p>	<p><u>Article 21</u> (Paragraphs 1 to 3 omitted) Shareholders who wish to attend the shareholder meeting in person after exercising their voting rights in writing or using electronic methods are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than two days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If the shareholder has exercised written or electronic votes and at the same time delegated a proxy to attend the shareholder meeting, then the voting decision exercised by the proxy shall prevail. (Paragraph 5 omitted)</p>	<p>1. Adjusted article numbering. 2. Moved former Article 25 to Paragraph 6, moved Paragraphs 1 and 2 of Article 19 to Paragraphs 7 and 8, and added Paragraphs 9 to 12 in line with Article 13 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>

<p><u>or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which the proposals are voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.</u></p> <p><u>The chairperson will appoint a ballot examiner and a ballot counter; the ballot examiner must be a shareholder.</u></p> <p><u>Discussion and election votes are to be counted openly at the shareholder meeting. Results of the vote, including the final tally, must be announced on-site and recorded in minutes.</u></p> <p><u>In the case of virtual shareholder meeting, shareholders who participate via video conference shall vote on various motions and elections over the video conferencing platform, and may do so from the time the chair announces commencement of meeting until the voting deadline. Voting rights that are not exercised past the deadline are deemed to have abstained.</u></p> <p><u>In the case of virtual shareholder meeting, votes shall be collectively counted after the chair announces that the voting session has ended. Outcomes of the motion and election are to be announced immediately.</u></p> <p><u>If a physical shareholders' meeting is held in conjunction with video conference, shareholders who wish to attend the physical meeting personally after registering for the video conference in accordance with Article 4 will be required to withdraw their registration using the same method by which the registration was submitted in the first place by no later than two days before the shareholders' meeting. Shareholders who do not withdraw</u></p>		
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<p><u>registration in time may only participate in the shareholders' meeting via video conference. Shareholders who exercise voting rights in writing or using electronic method without expressing intent to withdraw and have participated in the shareholders' meeting via video conference may no longer vote on the regular motion or amendment thereof, except in the case of special motions.</u></p>		
<p><u>Article 16</u> (Paragraphs 1 to 2 omitted)</p>	<p><u>Article 22</u> (Paragraphs 1 to 2 omitted)</p>	<p>Adjusted article numbering.</p>
<p><u>Article 17</u> (Paragraphs 1 to 3 omitted) In the case of virtual shareholder meeting, the meeting minutes shall record not only the details mentioned in the preceding Paragraph, but also: the start and end time of meeting; the form of meeting; name of chair and minutes taker; methods of resolving malfunction of the video conferencing platform or discontinuance of live stream due to natural disaster, manmade incident, or other force majeure event; and how disruptions are handled. When hosting a virtual shareholder meeting, the Company shall proceed according to the rules outlined in the preceding Paragraph and state in the meeting minutes any alternative measures for shareholders who have difficulties participating in the shareholder meeting via video conference.</p>	<p><u>Article 23</u> (Paragraphs 1 to 3 omitted)</p>	<p>1. Adjusted article numbering. 2. Added Paragraphs 4 and 5 in line with Article 15 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
<p><u>Article 18</u> On the day of the shareholders' meeting, the Company shall disclose information on the number of shares acquired by proxy form acquirers, the number of shares represented by proxies, and the number of shares with voting rights exercised in writing or through the electronic method at the meeting venue using the prescribed format.</p>	<p><u>Article 24</u> During the shareholder meeting, the Company shall publish information regarding the number of shares acquired by proxy form acquirers and the number of shares represented by proxies using the prescribed format.</p>	<p>1. Adjusted article numbering. 2. Amended Paragraph 1 and added Paragraph 2 in line with Article 16 of “Sample Template for Rules of</p>

<p><u>In the case of virtual shareholder meeting, the Company shall upload the above data onto the video conferencing platform at least 30 minutes before the meeting commences, and disclose continuously until the meeting ends. Upon commencement of a virtual shareholder meeting, the total number of shares represented at the meeting shall be disclosed over the video conferencing platform. The same requirement applies whenever the total number of shares and voting rights are counted over the course of the meeting.</u> (Paragraph 3 omitted)</p>	<p>(Paragraph 2 omitted)</p>	<p>Procedure for Shareholders' Meeting.”</p>
	<p><u>Article 25</u> <u>In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which the proposals are voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.</u></p>	<p>Moved the former Article to Paragraph 6, Article 15.</p>
<p><u>Article 19</u> <u>Organizers of the shareholder meeting must wear proper identification or arm badges.</u> (Paragraphs 2 to 4 omitted)</p>	<p><u>Article 26</u>  (Paragraphs 1 to 3 omitted)</p>	<p>1. Adjusted article numbering. 2. Moved Paragraph 2 of Article 8 to Paragraph 1 in line with Article 17 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
<p><u>Article 20</u> <u>In the case of virtual shareholder meeting, the Company shall upload the outcome of each motion and election over the video conferencing platform in a manner that conforms with rules immediately at the end of each voting session, and disclose continuously for at least 15 minutes</u></p>		<p>The Article was added to conform with Article 19 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>

<p><u>after adjournment is announced by the chair.</u></p>		
<p><u>Article 21</u>  <u>When hosting a virtual shareholder meeting, both the chair and the minutes taker must be at the same domestic location, and the address of which is to be announced by the chair when the meeting commences.</u></p>		<p>The Article was added to conform with Article 20 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
<p><u>Article 22</u>  <u>In the case of virtual shareholder meeting, the Company may conduct a simple connection test before the meeting and offer services before and during the meeting to help participants resolve communication and technical issues.</u>  <u>In the case of virtual shareholder meeting, the chair shall, upon commencement of the meeting, announce to participants the meeting's postponement or resumption date set in the next 5 days if the video conferencing platform malfunctions or if the live stream discontinues persistently for 30 minutes or longer due to natural disaster, manmade incident, or other force majeure event before adjournment, except for the situations outlined in Paragraph 4, Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies in which postponement or premature adjournment of meeting is not required, and that postponement/premature adjournment is not subject to Article 182 of The Company Act.</u>  <u>If meeting is to be postponed or prematurely adjourned in any of the situations described in the preceding Paragraph, shareholders who did not register for the original virtual shareholder are unable to participate in the postponed/adjourned meeting.</u>  <u>If meeting is to be postponed or prematurely adjourned in any of the</u></p>		<p>The Article was added to conform with Article 21 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>

<p><u>situations described in Paragraph 2, shareholders who registered and completed admission for the original virtual shareholder meeting but do not participate in the postponed/adjourned meeting will still have the number of shares and exercised votes counted towards total shares and votes during the postponed/adjourned meeting. When postponing or resuming a virtual shareholder meeting in any of the situations described in Paragraph 2, any motions that already completed the voting and vote count with the final outcome announced and any director or supervisor election that has already been concluded during the meeting need not be discussed or resolved again.</u></p> <p><u>If a physical shareholders' meeting is held in conjunction with video conference and the video conference discontinues for any of the reasons described in Paragraph 2 but the number of shares represented on-site still exceeds the legal minimum after excluding those who participated via video conference, the shareholders' meeting shall proceed as normal and need not be postponed or prematurely adjourned in the manner described in Paragraph 2.</u></p> <p><u>If the meeting is to proceed as normal in the situation outlined above, shareholders who participate in the meeting via video conference shall have all of their shares counted toward the total number of shares represented at the meeting, but are considered to have waived the right to vote on all motions of the shareholder meeting.</u></p> <p><u>If meeting is postponed or prematurely adjourned for any of the situations outlined in Paragraph 2, the timelines of various preparation works specified in</u></p>		
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<p><u>Paragraph 7, Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies shall apply to the date of the original shareholder meeting.</u>  <u>The timelines mentioned in the latter part of Article 12 and Paragraph 3, Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of Regulations Governing the Administration of Shareholder Services of Public Companies shall apply to the date of the meeting postponed/prematurely adjourned under Paragraph 2.</u></p>		
<p><u>Article 23</u>  <u>When hosting a virtual shareholder meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulties participating in the shareholder meeting via video conference.</u></p>		<p>The Article was added to conform with Article 22 of “Sample Template for Rules of Procedure for Shareholders' Meeting.”</p>
<p><u>Article 24</u>  (Paragraph 1 omitted)</p>	<p><u>Article 27</u>  (Paragraph 1 omitted)</p>	<p>Adjusted article numbering.</p>
<p><u>Article 25</u>  (Paragraph 1 omitted)</p>	<p><u>Article 28</u>  (Paragraph 1 omitted)</p>	<p>Adjusted article numbering.</p>

## **The First Insurance Co., Ltd. Rules of Procedure for Board of Directors Meeting**

- Article 1 The following rules have been established in accordance with Paragraph 8, Article 26-3 of the Securities and Exchange Act (hereinafter referred to as the Act).
- Article 2 All issues relating to the Company's board of directors meetings, such as discussions, procedures, minutes details, announcements and compliance matters, shall proceed according to the following rules unless otherwise specified by law or the Articles of Incorporation.
- Article 3 Board of directors meetings shall be convened once every quarter. Convention of board meeting shall be communicated to directors 7 days in advance with detailed agenda; however, board meetings may be convened in shorter notices in case of emergency or at the request of more than half of board members.  
Meeting advices may be served in various forms such as written correspondence, fax or email.  
All matters listed in Paragraph 1, Article 7 of the Rules must be proposed as part of the agenda, and can not be raised as a special motion.
- Article 4 Board meetings should be convened at the Company's premise and within office hours. However, meetings may also be convened at other locations and times that are convenient and suitable for directors to attend, depending on the nature of topics discussed.
- Article 5 The Planning Department is the parliamentary unit of the Company's Board of Director meetings.  
The meeting organizer is responsible for outlining the board of directors meeting agenda and preparing adequate meeting information, which will be distributed along with the meeting advice.  
Directors may request for supplemental information from the meeting organizer if they consider the prepared information to be inadequate.  
Directors may resolve to postpone certain agenda items if they consider the information presented to them to be inadequate.
- Article 6 Apart from decisions that are subject to board resolution under the Act, the Company's regular board meetings shall cover at least the following issues:  
1. Reports:  
(1) Minutes of the previous meeting and execution of meeting conclusions.  
(2) Reports on key financial information.  
(3) Reports on internal audit.  
(4) Reports on other important issues.  
2. Discussions:  
(1) Discussions carried forward from the previous meeting.  
(2) Discussions proposed for the current meeting.  
3. Special motions.
- Article 7 In addition to the scope of the board of directors' responsibilities outlined in the Articles of Incorporation, the following issues shall also be raised for discussion during board meetings:  
1. The Company's operating plans.  
2. Annual and semi-annual financial reports.  
3. Establishment or amendments to the internal control system according to Article 14-1 of the Act, and evaluating the effectiveness of internal control system.  
4. Establishment or amendments to asset acquisition and disposal procedures, derivative trading procedures, third party lending procedures, third party

endorsement and guarantee procedures, and other procedures of major financial consequences according to Article 36-1 of the Act.

5. Offering, issuance, or private placement of securities with equity characteristics.
6. Election or dismissal of the Chairman.
7. Appointment and dismissal of finance, accounting, or internal audit officers.
8. Major donation to non-related party. However, in the occurrence of a major natural disaster, emergency aids of charitable nature can be made first and acknowledged later during the next board of directors meeting.
9. Any decisions that must be resolved in a shareholder meeting or a board of directors meeting as required by Article 14-3 of the Act, or relevant regulations or Articles of Incorporation, and any major issues prompted by the competent authority.

Major donation to non-related party, as mentioned in Subparagraph 8 above, shall refer to any single or cumulative donations that amount to NT\$100 million or above in a year to the same party, or amounts that accumulate to more than 1% of net revenues or 5% of paid-up capital, as shown in the latest audited financial statements.

The one-year period mentioned above shall refer to the one year dating back from the current board meeting. Amounts that have already been passed in previous board meetings may be excluded from calculation.

The Company shall not donate to any stakeholder or political party.

If the Company has independent directors in place, at least one independent director shall be personally present at each board of directors meeting. For any decisions specified in Paragraph 1 that require resolution from a board of directors meeting, all independent directors shall personally attend the board meeting. Independent directors who are unable to attend personally shall appoint another independent director to attend on behalf. All objections and qualified opinions expressed by independent directors must be detailed in the board of directors meeting minutes. If the independent director is unable to express objections or qualified opinions in person during the board of directors meeting, the opinion shall be expressed in writing in advance and recorded in the board of directors meeting minutes unless there is justifiable reason not to do so.

Article 8 Attendance logs must be provided during board meetings and signed by the attending directors.

Directors are required to attend board meetings personally. Those who are unable to attend personally may seek proxy attendance by another director in a manner compliant with the Articles of Association. Directors who participate in the meeting using video conferencing are considered to have attended personally, but must fax over the attendance slip for record purpose.

If a director wishes to seek proxy attendance by another director, a separate proxy letter shall be issued for every board meeting, with the extent of delegated authority specified separately for each agenda item.

Each proxy attendant may only represent the presence of one absent director.

Article 9 The Company's board meetings shall be convened and chaired by the Chairman. However, the first meeting of a newly-elected board is convened by the director that received the highest number of votes during the shareholders' meeting elections. The meeting shall be chaired by the convener and if there are two or more persons having the right to convene the meeting, the chair of the meeting shall be elected from among themselves.

Where a meeting of the Board of Directors is convened by a majority of directors on their own initiative in accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the chair shall be elected among these directors.

Article 10 If the Chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of The Company Act. when the Board convenes its meeting, the Planning Department shall have relevant information ready for use at directors' request.

During Board meetings, the Board may, depending on the nature of discussed topics, call personnel of relevant departments to report on the Company's business performance and answer directors' queries and thereby provide directors with more insights into the Company's operations for more informed decisions.

Certified public accountants, lawyers, or other professionals may also be invited to provide statements and opinions in board meetings if necessary, but must disassociate from discussion and voting.

The chairperson may restrain directors from speaking repeatedly or outside the scope of the discussed topic, if their actions have prevented other directors from speaking or have affected the meeting's proceeding.

Article 11 The chairperson may commence board meeting when the time is due with more than half of all directors present. If the meeting is due to convene but less than half of the board is present, the chairperson may postpone the meeting for up to two times. If the number of participants remains insufficient after two postponements, the chairperson shall re-convene the meeting according to Article 3 of the conference rules.

The term "all directors" mentioned above shall refer to those who are currently in active duty.

Article 12 Board meeting discussions shall proceed according to the scheduled proceedings. However, changes to proceedings are allowed if agreed by more than half of attending directors.

The chairperson can not dismiss the meeting without the consent of more than half of all attending directors.

The chairperson may call the meeting into recess or proceed with negotiation at a suitable time.

If the number of remaining directors falls throughout the course of a meeting to less than half of the number of attending directors at the start of a meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 1 of the preceding article shall apply *mutatis mutandis*.

Article 13 The meeting chairperson may announce to discontinue further discussions if the topic is considered to have been sufficiently discussed to proceed with the vote.

A motion is considered passed if the chairperson receives no objection from any attending directors. Should any director express objection after being inquired by the chairperson, the discussed topic shall be resolved through vote.

The chairperson may choose to proceed with the vote in one of two methods: raise of hands or using ballots. However, if there is any participant who objects otherwise, the voting method shall be determined by the opinion of the majority.

Except for resolutions that are passed without objection, the voting process needs to be examined by independent directors whereas ballots are to be counted by the meeting organizer.

Unless otherwise regulated by The Company Act or the Articles of Incorporation,

a motion is passed if it is supported by more than half of attending directors. The attending directors mentioned in the four paragraphs above do not include directors who are not permitted to vote under Paragraph 1, Article 14.

In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which the proposals are voted. However, if any proposal is passed, all other proposals shall be deemed rejected and no further voting is necessary.

The outcome of the vote must be documented and announced on site.

The Company shall disclose on MOPS (Market Observation Post System) any board meeting resolutions that constitute material information as defined by law or the rules Taiwan Stock Exchange Corporation.

Article 14 If a director, or the corporate entity a director represents, is considered a stakeholder to the discussed topic, the director must state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if the stakes are in conflict against the Company's interests. In addition, the director may not exercise voting rights on behalf of other directors.

Where the spouse, a blood relative within the second degree of kinship of a director or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Board resolutions that involve directors who are prohibited from exercising voting rights as mentioned above are governed by Paragraph 2, Article 206 and Paragraph 2, Article 180 of the Company Act.

Article 15 Proceeding of the Company's board of directors meetings shall be compiled into detailed minutes. The meeting minutes must record the following details:

1. The meeting session (or year), time, and venue.
2. Name of the meeting chairperson.
3. Directors' attendance, including the number and names of attendees, absentees, and those on leave of absence.
4. The names and designations of meeting participants.
5. Name of the minutes taker.
6. The reported issues.
7. Discussions: The methods by which resolutions were reached and outcomes of each motion; summary of opinions expressed by directors (including independent directors), experts and other personnel involved; the names of directors who held conflicting interests in the discussed topic as described in Paragraph 1 of the preceding Article, descriptions of the stakes involved, reasons for directors' disassociation or participation in the discussed topic, and whether the director had disassociated from the discussion/voting; any objections or qualified opinions expressed on record or in writing; and independent directors' written opinions raised according to Paragraph 5, Article 7.
8. Special motions: The name of the person who raised the motion; the method of resolution and outcome; summary of opinions expressed by directors, experts and other personnel; the names of directors who held conflicting interests in the discussed topic as described in Paragraph 1 of the preceding Article, descriptions of the stakes involved, reasons for directors' disassociation or participation in the discussed topic, and whether the director had disassociated from the discussion/voting; and any objections or qualified opinions expressed

on record or in writing.

9. Other details as deemed relevant.

If the board resolution involves any of the following, the details of which shall be addressed in the meeting minutes and posted onto the reporting website designated by the authority within 2 days after the board resolution is made:

1. Objections or qualified opinions expressed by independent directors on record or in writing.

2. Where an Audit Committee has been assembled, any issues that are not agreed by the Audit Committee but passed by more than two-thirds of entire directors.

The attendance log constitutes part of the board meeting minutes, and therefore shall be kept properly over the Company's existence.

The meeting minutes must be signed or sealed by the chairperson and the minute taker, and distributed to all directors within 20 days after the meeting. It should also be treated as part of the Company's key files and retained as such over the Company's existence.

The preparation and distribution of meeting minutes, as described in Paragraph 1, can be made in electronic form.

Article 16 The Company's board of directors meetings shall be recorded in both video and audio, and kept for at least 5 years. The footage can be stored in electronic form.

Should any litigation arise with respect to a specific board meeting resolution before the abovementioned expiry, the relevant recordings must be retained as evidence until the litigation is concluded.

Where meetings are held by way of video conferencing, the recorded video and audio shall be treated as part of the meeting minutes, and kept properly over the Company's existence.

Article 17 Establishment and amendment of the conference rules are subject to approval by the board of directors, and acknowledgment in shareholder meeting.

Article 18 The above rules were first established on March 8, 2005.

The 1st amendment was made on April 27, 2006 and implemented since January 1, 2007.

The 2nd amendment was made on April 28, 2008.

The 3rd amendment was made on March 26, 2010.

The 4th amendment was made on December 26, 2012.

The 5th amendment was made on March 28, 2016, and effected since June 24, 2016.

The 6th amendment was made on August 28, 2017.

The 7th amendment was made on March 28, 2018.

The 8th amendment was made on February 27, 2020.

The 9th amendment was made on July 7, 2021.

The 10th amendment was made on August 26, 2022.

# **The First Insurance Co., Ltd. Articles of Incorporation**

## **Chapter I. General Provisions**

- Article 1: The Company is incorporated in accordance with The Company Act, and is named The First Insurance Co., Ltd.
- Article 2: The Company specializes in offering non-life insurance service for the stability of the domestic economy, welfare of the society, and prosperity of the industrial and commercial sectors.
- Article 3: The Company is headquartered in Taipei City, and may establish domestic or foreign branches to support business activities if deemed necessary. Establishment, removal and change of branch offices are subject to board of directors' resolution and approval of the local authority.
- Article 4: The Company shall make announcements, if any, in the manner referred to in the Company Act.

## **Chapter II. Business Activities**

- Article 5: The Company's business activities comprise the following:  
H501021 Non-life insurance.

## **Chapter III. Share Capital**

- Article 6: The Company has an authorized share capital of Three Billion Eleven Million Six Hundred and Thirty-seven Thousand Eight Hundred and Forty New Taiwan Dollars, which has been fully issued in three hundred and one million one hundred and sixty-three thousand seven hundred and eighty-four shares. Each share has a face value of Ten New Taiwan Dollars.
- Article 7: The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of at least three directors, subject to certification by the competent authority or any of its approved institutes. The Company is not required to print share certificates for publicly issued shares, but shall register the shares with the centralized securities depository institutions.
- Article 8: The Company may, at the request of Taiwan Depository and Clearing Corporation, produce share certificates of large denomination for outstanding shares.
- Article 9: Unless otherwise specified by law or securities regulations, all share-related affairs of the Company shall proceed according to the authority's "Regulations Governing the Administration of Shareholder Services of Public Companies."
- Article 10: Registration for transfer of share ownership shall be suspended during the 60 days prior to the AGM, or during the 30 days prior to an extraordinary shareholder meeting, or during the 5 days before the baseline date for dividends, bonuses or other gains distributed by the Company.

## **Chapter IV. Shareholders' Meetings**

- Article 11: The Company convenes two types of shareholder meeting: the annual general meeting and extraordinary shareholder meetings. Annual general meetings (AGMs) are convened once a year within six months after the end of each financial year. Extraordinary shareholder meetings may be held whenever deemed necessary, subject to compliance with the relevant laws.

A shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

- Article 12: The Company is required to notify all shareholders at least 30 days before convention of AGM, and at least 15 days before convention of extraordinary shareholder meeting, and make corresponding public announcements in compliance with laws. Meeting advices and announcements shall specify the date, the venue, and topics to be discussed during the meeting.
- Article 13: Unless otherwise specified by law, the following decisions need to be resolved in shareholder meetings:
1. Establishment and amendments to the Articles of Incorporation.
  2. Election and dismissal of directors.
  3. Acknowledgment of reports prepared by the board of directors and the Audit Committee, and resolution of earnings appropriation or loss reimbursement proposal.
  4. Increase and reduction of share capital.
  5. Other material issues and decisions that are subject to resolution in shareholder meetings, as specified by law.
- Article 14: If a shareholder is unable to attend the shareholder meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority. Unless otherwise regulated in Article 177 of The Company Act, shareholders shall delegate their proxy attendants in compliance with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."
- Article 15: Unless otherwise specified in The Company Act, shareholder meetings shall be convened by the board of directors and chaired by the Chairman. If the Chairman is unable to fulfill duties due to leave of absence or any other reason, a person of acting duty shall be appointed according to Article 208 of The Company Act. For shareholder meetings that are convened by any authorized party other than the board of directors, the convener shall chair the meeting. If there are two or more eligible conveners at the same time, one shall be appointed among themselves to chair the meeting.
- Article 16: Except otherwise regulated by law, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting. However, resolution of the following decisions would require the attendance (personal or proxy) of shareholders representing more than two-thirds of total voting rights, with more than half of voting rights represented in the meeting voting in favor.
1. Acquisition or merger of another domestic or foreign enterprise.
  2. Dismissal, liquidation or divestment of the Company.
- Article 17: The Company's shareholders are entitled to one vote for every share held unless otherwise specified in The Company Act or the Articles of Incorporation. However, shareholders that meet the conditions outlined in Article 179 of The Company Act are not entitled to vote.
- Article 18: Shareholder meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. Preparation of meeting minutes shall comply with Article 183 of The Company Act.

## Chapter V. Board of Directors

Article 19: The board shall consist of 11 to 13 directors elected from persons of adequate capacity during shareholder meeting. Candidates shall be chosen using the nomination system in accordance with Article 192-1 of The Company Act, and the election shall proceed according to the Company's "Director Election Procedures." The director seats mentioned above shall include at least 2 independent directors who account for no lesser than one-fifth of total director seats. Independent directors' seats, nomination and election shall also comply with the laws of the securities authority. Directors are elected to serve a term of 3 years, which can be renewed if re-elected. A Chairman shall be elected among directors during a board meeting with more than two-thirds of directors present, and with the support of more than half of attending directors. The Chairman serves as the Company's representative to the outside world. If the Chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of The Company Act. However, matters concerning appointment of independent directors must still comply with the authority's rules.

Once the Company has made a public offering of shares, directors' total shareholding shall comply with the rules of the securities authority.

The Board of Directors should assemble committees of various functions including audit, risk management, remuneration and sustainable development to assist the Board in supervising and managing the Company's operations.

Functional committees shall report directly to the board of directors, and present proposals for the board's resolution. However, this excludes Audit Committee's duties as corporate supervisors, as defined in the Securities and Exchange Act, The Company Act and other related laws.

Each functional committee shall implement a separate foundation principle, which is subject to resolution by the board of directors. The foundation principles shall cover details including the number of committee members, terms of service, responsibilities, conference rules, and resources that the Company is bound to provide to assist committees with their duties.

Article 20: The Company shall comply with The Company Act and implement fair, just and open procedures for the election of its directors.

If the board loses more than one-third of its directors, the Company shall convene an extraordinary shareholder meeting within 60 days to elect new directors for the shortfall.

Article 21: Responsibilities of the board of directors are as follows:

- (1) Review and approve the Company's organization policy and Articles of Incorporation.
- (2) Outline business strategies.
- (3) Approve acquisition, construction and disposal of real estate properties.
- (4) Review and approve budgets and year-end account closure.
- (5) Appointment and dismissal of key personnel.
- (6) Approve proposals raised by the Chairman and the President.
- (7) Establish, amend and abolish major contracts.
- (8) Propose earnings appropriation or loss reimbursement plan.
- (9) Propose capital increment and reduction plan.
- (10) Perform duties outlined in Article 14-3 of the Securities and Exchange Act and related laws and exercise authorities vested by shareholders.
- (11) Approval of functional committee foundation rules.

For any decisions that need to be resolved through a board meeting under Article 14-3 of the Securities and Exchange Act, the independent directors must be

involved either by attending the meetings personally or by appointing other independent directors as proxy attendants. All objections and qualified opinions expressed by independent directors must be detailed in the board of directors meeting minutes. If the independent director is unable to express objections or qualified opinions in person during the board of directors meeting, the opinion shall be expressed in writing in advance and recorded in the board of directors meeting minutes unless there is justifiable reason not to do so.

Article 22: Board of directors meetings are convened once per quarter, and may be held under shorter notices in the event of an emergency or at the request of more than half of board members. The Chairman serves as the convener and shall chair the meeting in either cases. If the Chairman is unable to fulfill duties due to leave of absence or any other reason, a person of acting duty shall be appointed according to Article 208 of The Company Act.

Meeting advices may be served in various forms such as written correspondence, fax or email.

Article 23: Unless otherwise regulated by The Company Act, the board's resolutions shall be passed only if more than half of total board members are present in a meeting, and with more than half of attending directors voting in favor. If a board meeting is convened by way of video conference, those who participate in the meeting using video conferencing are considered to have attended the meeting in person. Directors who are unable to attend meetings personally may seek proxy attendance by another director in manners compliant with law.

Article 24: President, Vice Presidents and other senior officers may be invited to participate in board meetings if necessary, but they are not entitled to vote.

Article 25: The board of directors is authorized to determine the level of remuneration for the Chairman, directors (including independent directors) and supervisors based on individual participation and contribution to the Company's operations, and in reference to industry peers.

#### Chapter VI. Audit Committee

Article 26: The Company shall assemble an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is responsible for carrying out duties of the supervisor, as specified in The Company Act, Securities and Exchange Act and other relevant regulations.

Article 27: The Audit Committee shall consist entirely of independent directors with no less than 3 members. One among whom will serve as the convener, and at least one member shall possess accounting or finance expertise.

The Committee's resolutions are made with the support of more than half of all committee members.

Establishment of Audit Committee shall take effect after the 18th supervisors have served their term or agreed to full dismissal.

#### Chapter VII. Managers

Article 28: The Company shall have one president and unrestricted number of vice presidents, assistant vice presidents and managers. The President oversees all affairs of the Company under the instruction of the Chairman. Responsibilities of vice presidents, assistant vice presidents and managers are to assist the President. Appointment, dismissal and remuneration of the President, vice presidents, assistant vice presidents,

and managers shall comply with Article 29 of The Company Act.

Article 29: Apart from the authorities vested to shareholders and board of directors by laws and the Articles of Incorporation, managers, too, may represent the Company in business activities to the extent deemed necessary. The scope of delegated authority is subject to compliance with the Company's policies.

#### Chapter VIII. Accounting

Article 30: The Company's accounting period begins January 1 and ends December 31 each year. The board of directors is responsible for preparing the following statements and reports at the end of each financial year. These statements and reports shall be submitted to the Audit Committee for review at least 30 days before the AGM, and presented during the AGM for the final acknowledgment.

(1) Business report.

(2) Financial statements.

(3) Earnings appropriation or loss reimbursement proposals.

Article 31: Annual profits concluded by the Company are subject to employee remuneration of at least 1%, which the board of directors may decide to distribute in cash or in shares. Employees who meet certain criteria are entitled to receive remuneration. Up to 0.6% of the aforementioned profit may be distributed as directors' remuneration at the discretion of the board of directors. Employee and director remuneration proposals are to be raised for resolution during shareholder meetings.

Profits must first be taken to offset against cumulative losses, if any, before the remainder can be distributed as employee/director remuneration in the above percentages.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 20% provision of legal reserve, unless the legal reserve has reached the level of the total capital of the Company and provision or reversal of special reserve as required by the authority. The Company may retain an appropriate amount of earnings before distributing the remainder to shareholders as dividends.

With respect to the earnings appropriation proposal mentioned above, the Board of Directors is authorized to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a Board of Directors meeting where more than two-thirds of the Board is present, and voted in favor of by more than half of all directors present at the meeting.

Article 32: The Company's dividend decisions involve several factors, including the current business environment and growth stage, its future capital requirements and long-term financial plan, and shareholders' needs for cash flow. Out of the distributable earnings, which shall be distributed as dividends to shareholders, the cash dividends shall amount to no less than 10%.

#### Chapter IX. Supplementary Clauses

Article 33: Organization rules, practical rules and other policies of the Company and branches shall be established separately.

Article 34: Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and relevant regulations.

Article 35: The Articles of Incorporation was established on August 18, 1962; the 1st amendment

was made on April 20, 1967; the 2nd amendment was made on April 12, 1969; the 3rd amendment was made on March 28, 1970; the 4th amendment was made on March 21, 1971; the 5th amendment was made on April 20, 1974; the 6th amendment was made on May 22, 1976; the 7th amendment was made on June 11, 1977; the 8th amendment was made on June 17, 1978; the 9th amendment was made on June 2, 1979; the 10th amendment was made on May 28, 1981; the 11th amendment was made on June 18, 1982; the 12th amendment was made on June 29, 1985; the 13th amendment was made on June 23, 1990; the 14th amendment was made on June 21, 1991; the 15th amendment was made on June 23, 1992; the 16th amendment was made on May 27, 1993; the 17th amendment was made on May 25, 1994; the 18th amendment was made on May 25, 1995; the 19th amendment was made on May 29, 1996; the 20th amendment was made on May 29, 1997; the 21st amendment was made on May 29, 1998; the 22nd amendment was made on May 28, 1999; the 23rd amendment was made on May 10, 2000; the 24th amendment was made on May 25, 2001; the 25th amendment was made on May 30, 2002; the 26th amendment was made on May 30, 2003; the 27th amendment was made on May 27, 2004; the 28th amendment was made on May 26, 2005; the 29th amendment was made on June 9, 2006; the 30th amendment was made on June 15, 2007; the 31st amendment was made on June 13, 2008; the 32nd amendment was made on June 25, 2010; the 33rd amendment was made on June 28, 2012; the 34th amendment was made on June 26, 2015; the 35th amendment was made on June 24, 2016; and the 36th amendment was made on June 23, 2022.

# The First Insurance Co., Ltd. Rules of Procedure for Shareholders' Meeting

Passed during AGM dated August 12, 2021

1. Unless otherwise specified by law or the Articles of Incorporation, shareholder meetings of The First Insurance Co., Ltd. (hereinafter referred to as the Company) shall proceed according to the following rules.
2. Unless otherwise specified by law, shareholder meetings are to be convened by the board of directors.

The Company shall compile an electronic file that contains the meeting advice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the re-election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting, an electronic copy of the shareholder meeting manual and supplementary information shall be prepared and posted onto MOPS. Physical copies of the shareholder meeting manual and supplementary information shall be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at the share administration agency, and distributed on-site during the shareholder meeting.

The meeting advice and announcement must state clearly the agenda to be discussed during the meeting, and can be issued in electronic form if consented by the recipient. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger or demerger of the Company or any matter under Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the general meeting. None of the above matters may be raised as a special motion.

Where re-election of all directors, as well as their inauguration date, is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any special motion or otherwise in the same meeting.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal. In case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Any shareholder may propose any suggestive motion to urge the Company to promote public interests or fulfill its social responsibilities. Procedurally, only one matter shall be allowed in each single proposal. If a proposal contains more than one matter, such proposal shall not be included in the agenda, in accordance with Article 172-1 of the Company Act.

Prior to the book closure date before an annual general meeting of shareholders is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or

electronically, and the location and time period for their submission, and the period for submission of shareholder proposals may not be less than 10 days.

Any proposal submitted by a shareholder is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and discuss the proposal.

Prior to the date for issuance of notice of an annual general meeting, the Company shall inform the shareholders who submit proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. With regard to the proposals submitted by shareholders but not included as motions at the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the annual general meeting to be convened.

3. Shareholders may appoint proxies to attend shareholder meetings on their behalf by completing the Company's proxy form and specifying the scope of delegated authority. Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholder meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous proxy arrangement.

Should the shareholder decide to attend shareholder meeting personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

4. The meeting advice must specify details such as meeting time, venue, and important notes where relevant.

Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with competent personnel.

Shareholders and representatives thereof (collectively referred to as shareholders) shall attend shareholder meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification.

The Company shall prepare a sign-in book for shareholders to sign in, and an attending shareholder may hand in an attendance card in lieu of signing on the sign-in book.

The number of shares represented by shareholders present at the meeting shall be calculated in accordance with those indicated on the sign-in book or the attendance cards, as well as shares with voting rights exercised in writing or by means of electronic transmission.

Shareholders who attend the meeting shall be given a copy of the meeting manual, annual report, attendance pass, opinion slip, agenda ballots and any information relevant to the meeting. Prepare additional ballots if director election is also being held during the meeting. Where the shareholder is a government agency or corporate entity, more than one representative may attend shareholder meetings on their behalf. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend shareholder meeting.

5. Attendance and votes during shareholder meetings shall be calculated based on number of shares held.
6. Shareholder meetings shall be held at locations that are suitable and convenient for

shareholders to attend. Meetings must not commence anytime earlier than 9AM or later than 3PM.

7. Unless otherwise specified in The Company Act, shareholder meetings shall be convened by the board of directors and chaired by the Chairman. If the Chairman is unable to fulfill duties due to leave of absence or any other reason, a person of acting duty shall be appointed according to Article 208 of The Company Act. For shareholder meetings that are convened by any authorized party other than the board of directors, the convener shall chair the meeting. If there are two or more eligible conveners at the same time, one shall be appointed among themselves to chair the meeting.  
The role of acting chairperson mentioned above shall be assumed by a director who has been on the board for more than six months and understands the Company's financial and business performance. The same applies if the chairperson is a representative of a corporate director. Shareholder meetings that are convened by the board of directors should be chaired by the Chairman and attended personally by more than half of the board, with at least one representative from each functional committee present at the meeting. Attendance of the above participants shall be recorded in details in the shareholder meeting minutes.
8. The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.  
Organizers of the shareholder meeting must wear proper identification or arm badges.
9. The Company shall record non-stop, in audio or video, from the time admission is accepted and throughout the entire meeting proceeding, voting and vote counting.  
These recordings need to be maintained for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.
10. The chairperson shall call the meeting to order at the appointed meeting time and also announce the information about the number of present shareholders without voting rights and number of shares represented by all present shareholders at the same time. 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 attending shareholders represent more than one-thirds but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder and another shareholder meeting shall be held within the next month.  
If the number of shares represented accumulate to more than half of all outstanding shares as the meeting progresses, the chairperson may propose the tentative resolutions for final vote according to Article 174 of The Company Act.
11. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate motion in the agenda (including special motions and amendments to the original motions set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of a shareholders' meeting.  
The above rule also applies if the shareholder meeting is convened by any authorized party other than the board of directors.  
In either of the two arrangements described above, the chairperson can not dismiss the meeting while an agenda item (including special motions) is still in progress. Once the meeting has been dismissed, shareholders may not elect to continue the meeting with another chairperson or at a different venue unless the chairperson is found to have dismissed the meeting in violation of the conference rules. In the latter case, the meeting

may continue with a separate chairperson that has the support of more than half of voting rights represented at the meeting.

12. Shareholders (or proxies thereof) may propose amendments or alternative solutions to items listed on the agenda, and may raise new discussions by way of special motion.
  13. Shareholders who wish to speak during the meeting must first produce an opinion slip detailing the topic and shareholder account number (or conference pass serial number). The order of shareholders' comments shall be determined by the chairperson. Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the opinion slip, the actual comments expressed shall be taken into record. While a shareholder is speaking, other shareholders can not speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.
  14. Shareholder cannot speak for more than two times, for 5 minutes each, on the same topic without the consent of the chairperson. The chairperson may restrain shareholders in violation of the above rule or interrupt any comments that are irrelevant to the topics discussed.
  15. Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak for each discussed topic.
  16. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.
  17. Voting rights in a shareholder meeting are calculated based on the number of shares represented. Shares that do not carry voting rights are excluded from the calculation of outstanding shares when voting for the final resolution. 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 shareholders. The number of shares held by shareholders who are not permitted to vote shall be excluded from the calculation of total voting rights. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is con-currently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three 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.
  18. The chairperson shall allow ample opportunity during the meeting to explain and discuss proposals and amendments or special 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, call for a vote, and schedule sufficient time for voting.
  19. The chairperson will appoint a ballot examiner and a ballot counter; the ballot examiner must be a shareholder. Discussion and election votes are to be counted openly at the shareholder meeting. Results of the vote, including the final tally, must be announced on-site and recorded in minutes.
  20. The chairperson may put the meeting in recess at appropriate times. In the occurrence of force majeure event, the chairperson may suspend the meeting temporarily and resume at another time.
- If the shareholder meeting is unable to conclude all agenda items (including special motions)

before the venue is due for return, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.

21. Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act. Voting rights can be exercised using the electronic method or in writing. Instructions for exercising voting rights in writing or using the electronic form must be clearly stated on the shareholder meeting advice. Shareholders who have voted in writing or using the electronic method are considered to have attended shareholder meeting in person. However, they are considered to have waived their rights to participate in any special motions or amendments to the original discussions that may arise during the shareholder meeting. For this reason, the Company should avoid proposing special motions and amendments to the original agendas where possible.

Instructions to exercise written and electronic votes must be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous instruction.

Shareholders who wish to attend the shareholder meeting in person after exercising their voting rights in writing or using electronic methods are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than two days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If the shareholder has exercised written or electronic votes and at the same time delegated a proxy to attend the shareholder meeting, then the voting decision exercised by the proxy shall prevail.

Unless otherwise specified in The Company Act or the Articles of Incorporation, a decision is passed with the consent of shareholders representing more than half of total voting interests in the meeting. When voting, the chairperson or delegate thereof shall announce the total number of voting rights represented by attending shareholders for every agenda item discussed, and have shareholders vote on a case-by-case basis. Details on the number of votes in favor, against, and abstained for each discussion shall be uploaded onto MOPS on the same day after the shareholder meeting has ended.

22. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company. The voting results shall be announced on-site immediately, including the names of those elected as directors and the number of votes with which they are elected, and the name list of directors losing the election and number of votes received by them.

All ballots used in the above election shall be sealed, signed and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

23. Shareholder meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. Preparation and distribution of meeting minutes can be made in electronic form.

The Company may disseminate meeting minutes by posting details onto MOPS.

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chair's full name, the methods by which resolutions were adopted and a summary of the deliberations and their voting results (including the number of voting rights) and disclose the number of voting rights won by each candidate in the event of an election of directors.

The minutes shall be retained for the duration of the existence of the Company.

24. During the shareholder meeting, the Company shall publish information regarding the number of shares acquired by proxy form acquirers and the number of shares represented by proxies using the prescribed format.

The Company must disclose on MOPS any shareholder meeting resolutions that constitute material information as defined by law or the rules Taiwan Stock Exchange Corporation.

25. In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which the proposals are voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.
26. The chairperson may appoint picketers (or security staff) to help maintain order in the meeting. While maintaining order in the meeting, all picketers (security staff) must wear arm badges that identify their role as "Picketeer."  
The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company.  
The chairperson may instruct picketers or security staff to remove shareholders who continue to violate the meeting policy despite being warned by the chairperson.
27. Any matters that are not addressed in the above rules shall be governed by The Company Act, Articles of Incorporation and relevant regulations.
28. The above rules shall take effect immediately once approved during shareholder meeting; the same applies to all subsequent revisions.

Directors' shareholding position as recorded in the shareholder registry on April 29, 2023 (the book closure date)

Title	Name	Date elected	Tenure	Shareholding when elected		Shareholding position as at the book closure date	
				Shares	Proportion of shareholding	Shares	Proportion of shareholding
Chairman	Yi Chih Co., Ltd. Representative: C. H. Lee	June 23, 2022	3 years	4,928,750	1.64%	4,928,750	1.64%
Director	Chien Yi Industrial Co., Ltd. Representative: Cheng-Tsung Lee	June 23, 2022	3 years	7,385,189	2.45%	7,385,189	2.45%
Director	Cheng-Tu Lee	June 23, 2022	3 years	3,296,991	1.09%	3,018,991	1.00%
Director	Edward Y. C. Lee	June 23, 2022	3 years	2,807,896	0.93%	2,807,896	0.93%
Director	Shao-Ying Lee	June 23, 2022	3 years	195,104	0.06%	195,104	0.06%
Director	Chimax Development Co., Ltd. Representative: Chi-Chen Tu	June 23, 2022	3 years	1,357,389	0.45%	1,357,389	0.45%
Director	Chang-Yi Chang	June 23, 2022	3 years	761,739	0.25%	761,739	0.25%
Director	Cheng-Chin Lee	June 23, 2022	3 years	347,000	0.12%	347,000	0.12%
Director	Chien Cheng Development Co., Ltd. Representative: Tien-Ching Yang	June 23, 2022	3 years	18,806,192	6.24%	18,806,192	6.24%
Director	OSTA Trading Co., Ltd. Representative: Chien-Yi Hsu	June 23, 2022	3 years	15,823,085	5.25%	15,823,085	5.25%
Independent Director	Jui-Tung Lu	June 23, 2022	3 years	0	0%	0	0%
Independent Director	Jui-Chou Lin	June 23, 2022	3 years	0	0%	0	0%
Independent Director	Hsiu-Mei Lin	June 23, 2022	3 years	0	0%	0	0%

The Company has a paid-up capital of NT\$3,011,637,840 (301,163,784 shares)

☆ All directors' minimum required shareholding: 5.00%; 15,058,189 shares

★ Based on shareholder registry as at the book closure date

Whole directors' shareholding: 18.41%; 55,431,335 shares