



臺灣產物保險股份有限公司

Taiwan Fire & Marine Insurance Co., Ltd.

2023 Annual General Meeting

Meeting Agenda (Translation)

Note to Readers:

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

June 16, 2023

Taiwan Fire & Marine Insurance Co., Ltd.

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Taiwan Fire & Marine Insurance Co., Ltd.
2023 Annual General Meeting

AGENDA

Annual General Meeting Method (physical / hybrid / visual-only): Physical

Date & Time: 9:00 am, June 16, 2023 (Friday)

Venue: Happiness Room, Sheraton Grand Taipei Hotel
B2, No. 12, Sec. 1, Zhongxiao E. Road, Taipei City

I. Call the Meeting to Order

II. Chairman's Remarks

III. Reports

IV. Proposals

V. Discussions and Elections

VI. Extempore Motions

VII. Adjournment

Reports

1.

Proposed by the Board

Report:

2022 Business Report

Explanatory Notes:

The 2022 Business Report is attached as Annex I on p. 11-12.

2.

Proposed by the Board

Report:

Audit Committee's 2022 Audit Report

Explanatory Notes:

1. The 2022 Financial Statements have been audited by the 13th meeting of the 3rd term of Audit Committee on March 10, 2023. The 2022 Business Report and the 2022 Earnings Distribution Proposal have been reviewed by the 14th meeting of the 3rd term of Audit Committee on April 27, 2023.
2. Audit Committee's 2022 Audit Report is attached as Annex II on p. 13.

3.

Proposed by the Board

Report:

2022 Distribution of Employees' Bonus and Directors' Remuneration

Explanatory Notes:

Subject matter has been resolved and approved by the 20th meeting of the 26th Term of Board of Directors on March 10, 2023 to distribute NT\$22,167,000 for employees' bonus and NT\$22,167,000 for directors' remuneration.

Report:

Amendments to the Operating Procedures for Use of Funds in Special Projects, Public Utilities and Social Welfare Enterprises

Explanatory Notes:

1. Subject matter has been resolved and approved by the 16th meeting of the 26th Term of Board of Directors on August 26, 2022.
2. The comparative table for the amendments is attached as Annex III on p. 14-46.

Proposals

1.

Proposed by the Board

Proposal:

Adoption of the 2022 Business Report and Financial Statements

Explanatory Notes:

1. The 2022 Financial Statements and Business Report have been resolved and approved by the 20th meeting of the 26th Term of Board of Directors on March 10, 2023 and the 21st meeting of the 26th Term of Board of Directors on April 27, 2023 respectively. The Financial Statements have been audited and certified by CPA Wang-Sheng Lin and CPA Wen-Yea Shyu of Deloitte & Touche.
2. Business Report, Financial Statements and CPA Report are attached as Annex I on p. 11-12 and Annex IV on p. 47-59.

Resolutions:

2.

Proposed by the Board

Proposal:

Adoption of the 2022 Earnings Distribution Proposal

Explanatory Notes:

1. The 2022 Financial Statements have been audited by the CPA. The 2022 Earnings Distribution Proposal (refer to Annex V on p. 60) has been made pursuant to Article 36 of the Company's Corporate Charter and has been resolved and approved by the 21st meeting of the 26th Term of Board of Directors on April 27, 2023.
2. Cash dividend will be calculated to the rounding of NT\$ dollar, all the dividend figure for the fractional share that are less than NT\$1 are to be combined and booked as Company's other income.
3. Upon the approval of the subject matter by this Shareholders' Meeting, the Chairman is been empowered to determine Record Date, Payment Date and other related matters. And thereafter when the payout ratio changed due to the exercise of the treasury stocks transfer, the Chairman is also been empowered to adjust accordingly.

Resolutions:

Discussions and Elections

1.

Proposed by the Board

Discussion:

Amendments to the Corporate Charter

Explanatory Notes:

1. Subject matter has been resolved and approved by the 18th meeting of the 26th Term of Board of Directors on December 23, 2022.
2. The comparative table for the amendments is attached as Annex VI on p. 61–64.

Resolutions:

2.

Proposed by the Board

Discussion:

Amendment to Rules for Election of Directors.

Explanatory Notes:

1. Subject matter has been resolved and approved by the 20th meeting of the 26th Term of Board of Directors on March 10, 2023.
2. The comparative table for the amendments is attached as Annex VII on p. 65–68.

Resolutions:

3.

Proposed by the Board

Election:

Election of 27th term Directors : eleven (11) directors including three (3) independent directors.

Explanatory Notes:

- 1.The 26th term of Board of Directors expires on June 11, 2023. Pursuant to Article 195 of the Company Act, "the term of office of outgoing directors shall be extended until the time new directors have been elected and assumed their office."
- 2.The resolution of 27th term of Board of Directors has been passed during the 20th meeting on March 10, 2023 to elect eleven (11) directors, including three (3) independent directors, for a three-year term from June 16, 2023 to June 15, 2026.
- 3.The nomination and election method are governed by the relevant laws and regulations. The following candidate list has been resolved and approved by the 21st meeting of the 26th term Board of Directors on April 27, 2023.

No.	Name of Candidate		Education	Experience	Shareholding
1	Director	Steve Lee	PhD, Political Economics, School of Economics, Nankai University	Current : Chairman, Taiwan Fire & Marine Insurance Co., Ltd. Director, Tong-Sheng Development Co., Ltd. Director, Navigator Real Estate Co., Ltd. Director, Navigator Investment Co., Ltd. Chairman, TFMI Foundation Director, Taiwan Chamber of Commerce & Industry	7,509,939
2	Director	Bank of Taiwan Co., Ltd. Representative : Hsiu-Shiang Liu	M.B.A., National Chiayi University B.A. of Economics, Fu Jen Catholic University	Current : Director, Taiwan Fire & Marine Insurance Co., Ltd. EVP & Secretary General, Bank of Taiwan Previous : VP & Deputy Secretary General, Bank of Taiwan EVP & Secretary General, Taiwan Financial Holdings	64,608,278
3	Director	Bank of Taiwan Co., Ltd.	Master, Department of International Business, National	Current : Director, Taiwan Fire & Marine Insurance Co., Ltd.	64,608,278

No.	Name of Candidate		Education	Experience	Shareholding
		Representative : Mei-Ling Wu	Dong Hwa University	SVP and General Manager, Department of Credit Analysis, Bank of Taiwan. Previous : Tamsui Br. Manager, Bank of Taiwan. Luzhou Br. Manager, Bank of Taiwan. SVP and General Manager, Department of Consumer Finance, Bank of Taiwan.	
4	Director	Bank of Taiwan Co., Ltd. Representative : Wei-Hsin Wang	Master of Finance Department, National Taiwan University	Current : Director, Taiwan Fire & Marine Insurance Co., Ltd. EVP and General Manager, Department of Business, Bank of Taiwan. Previous : VP & GM, Hoping Branch, Bank of Taiwan. EVP & GM, Department of Precious Metals, Bank of Taiwan	64,608,278
5	Director	Yong-Shin Development Co., Ltd. Representative : Chung-Chou Chang	Master, Department of Computer Science, Northrop University	Current : Director, Taiwan Fire & Marine Insurance Co., Ltd. Chairman, Ambassador Co., Ltd. Chairman, JinShen Technology Co., Ltd. Director, Chiung Ming Development & Trading Co. Director, Ambassador Co., Ltd. Director, Mayduli Film Co., Ltd. Chairman, Ambassador Film Inc	24,158,535
6	Director	Yong-Shin Development Co., Ltd. Representative : Bin-Fu Chen	EMBA, College of Management, National Taiwan University	Current : Director, Taiwan Fire & Marine Insurance Co., Ltd. City Councilor, Taipei City Council Chairman, Guang Shi Co., Ltd. Chairman, KungFu Investment Co., Ltd. Chairman, TsaiYu Investment Co., Ltd. Director, CCK Foundation Director, Modena Motor Taiwan Co., Ltd. Independent Director, Chainqui Construction Development Co., Ltd. Previous : Supervisor, Taiwan Fire & Marine Insurance Co., Ltd.	24,158,535
7	Director	Yong-Shin Development Co., Ltd.	Master, College of Management, National Taiwan University	Current : Vice Chairman, Taiwan Fire & Marine Insurance Co., Ltd. Director, TFMI Foundation	24,158,535

No.	Name of Candidate		Education	Experience	Shareholding
		Representative : Charles Sung		Previous : Director, Taiwan Residential Earthquake Insurance Fund Vice Chairman, AON Inc. President, Central Insurance Co., Ltd. President, AIG General Insurance (Taiwan) Co., Ltd. President, Taiwan Fire & Marine Insurance Co., Ltd.	
8	Director	Shan-Yue Industrial Co., Ltd Representative : Chain-Cheng Lee	Ph.D., Economics, Shanghai University. of Finance / Economics, Shanghai. MBA, Financial Risk Management, St John's University MBA, Business Administration, Johnson & Wales University.	Current : Director, Taiwan Fire & Marine Insurance Co., Ltd. Chairman, Yong-Shin Development Co., Ltd. Chairman, Navigator Real Estate Co., Ltd. Chairman, Tong-Sheng Development Co., Ltd. Director, Navigator Investment Co., Ltd. Director, Jia-Der Investment Co., Ltd. Director, Navigator Investment Co., Ltd. Director, TFMI Foundation	240,000
9	Independent Director	Christopher Chang	College of Law, National Chengchi University	Current : Member, TFMI Remuneration Committee Executive Director, Grand River Development Limited Independent Director, Wistron Corporation Previous : Chairman, Continental Development Corporation Partner/Senior Advisor, Lee and Li Attorneys at Law	0
10	Independent Director	Cheng Ching Huang	Master of Business Administration, University of Tennessee, Knoxville Bachelor of Business Administration, National Chengchi University	Current : Independent Director, Taiwan Fire & Marine Insurance Co., Ltd. Previous : Executive Vice President, Land Bank of Taiwan General Manager of Department of International Banking, Land Bank of Taiwan General Manager of Department of Treasury, Land Bank of Taiwan General Manager of Hoping Branch General Manager of Offshore Banking Unit Branch, Land Bank of Taiwan Deputy General Manager of Credit Management, Land Bank of Taiwan Supervisor, Taiwan Fire & Marine	0

No.	Name of Candidate		Education	Experience	Shareholding
				Insurance Co., Ltd. Director, United Taiwan Bank, S.A. Director, Agricultural Credit Guarantee Fund Director, Trust Association of R.O.C. Director, Bills Finance Association of R.O.C.	
11	Independent Director	Nien-Tsu Chiang	Ph.D of Law, National Chengchi University. Ph.D of Business Administration, Macau University of Science and Technology. Executive master of Business Administration, National Chengchi University. Post Bachelor of Law, Graduate Department of Law, Fu Jen Catholic University. Bachelor of Arts, Department of Political Science, Tunghai University	Current : Independent Director, Taiwan Fire & Marine Insurance Co., Ltd. Assistant Professor, Dept. of Finance, National Dong Hwa University Assistant Professor, Dept. of Finance, National Dong Hwa University Adjunct Assistant Professor, Graduate Department of Law, Fu Jen Catholic University. Previous : Adjunct Assistant Professor, College of Law, National Chengchi University. Chairman, Taipei Awakening Association. Adjunct Assistant Professor, Department of Business Administration, Nanhua University. Committee Member, Crime Prevention Committee, Ministry of the Interior Committee Member, 13 th Taipei City Gender Equality Committee Consultant, Judicial Reform Foundation.	0

Election Result:

4.

Proposed by the Board

Discussion:

Approval to release Directors from Non-Compete Clause.

Explanatory Notes:

- 1.This proposal has been resolved and approved at the 21st meeting of 26th term Board of Directors on April 27, 2023.
- 2.According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure approval."
- 3.If the Company's new directors have engaged in competitive businesses as follows, it is proposed that the Non-compete Clause pursuant to law shall be released.

Name	Item
Bank of Taiwan Co., Ltd.	1.Director, First Financial Holding 2.Director, Hua Nan Financial Holdings 3.Director, Taiwan Business Bank 4.Director, Mega Financial Holding 5.Director, United Taiwan Bank 6. Director, BankTaiwan Insurance Brokers
Hsiu-Shiang Liu	EVP and Secretary General, Bank of Taiwan Co., Ltd.
Mei-Ling Wu	SVP and General Manager, Department of Credit Analysis, Bank of Taiwan Co., Ltd.
Wei-Hsin Wang	EVP and General Manager, Department of Business, Bank of Taiwan Co., Ltd.

Resolutions:

Extempore Motions

Annex I

2022 Business Report

I. Business policy

To pursue sustainable development, the Company practices the corporate governance, fair dealing, finance-friendly services, social care and care for employees. We also focus on the environmental transformation, complies with laws, regulations and government policies when developing business, continues to improve our know-how to enhance our core competitiveness, upholding our business strategies of “Stable Management and Customer Orientation,” and provide the policyholders with the maximum protection available. In conducting of businesses, we apply our best effort to maintain the maximum interest for shareholders and also attend to employees’ interests. TFMI also combines the resources from the foundation established committing to take care of disadvantaged groups and solitary elderly, improving the social medical environment, supporting education needs for children with learning disabilities, engaging in campus anti-drug campaigns for youths, promoting arts and cultural activities, and training sport talents for teens’ baseball, women’s softball and volleyball, etc. Given the critical COVID-19 epidemic that we are experiencing now, we have donated funds for epidemic prevention to the hospitals, medical institutes and social organizations in New Taipei City, Taipei City, and Taoyuan City, all in an effort to do its best to prevent the epidemic and extend its care to the society.

II. Business Results and Profitability

In 2022, the Company integrated its diversified products and continued to take advantage of its channel strength, strive for niche markets, and proactively improve the customer service quality. The direct premium written was NT\$7.4 billion for the year, a yoy decrease of 15.33%; and the retained premium decreased by 22.79%, the main reason for reduction was due to discontinuation of the CD related insurance products, after taken out the effect of CD compensation insurance product line, the yoy growth rate for direct premium and retained section are 9.17% and 6.88% respectively. The market share of residential fire insurance remained in the first place of the industry. In 2022, S&P and Taiwan Ratings Corp. continued to grant the Company the credit ratings, “A-/Stable” and “twAA”, and Outlook “Stable”. Furthermore, the Company valued corporate governance, compliance and corporate social responsibility practices and protected stakeholders’ interest and right. The Company ranked in the top 25% of all companies included in the insurance industry fair dealing evaluation mechanism organized by the FSC and selected as an excellent financial institution in 2022.

In 2022, the Company's operating cost was NT\$3.8 billion, and operating expense NT\$1.4 billion, income tax expense was NT\$178 million, resulting in profit before tax NT\$850 million and profit after tax NT\$672 million, which translate to the EPS before tax of NT\$2.35 and the EPS after tax of NT\$1.86.

III. R&D Overview

For insurance products, the Company continues to design product portfolio projects, innovate the contents of products, and improve the diversity of products subject to the market condition, laws & regulations and consumers' needs. For corporate social responsibility, the Company proactively acts in response to the policies put forth by the authorities, our success in micro-insurance and residential earthquake insurance lines continuously won the awards and recognition from the governing party. In 2022, the Company has developed and designed a total of 46 insurance products, and related management and service systems which were been granted six patents. The Company developed the first domestic Residential Renters/Landlords Reimbursement Insurance, in order to enable both sides of residential property lessors and lessees to receive protection against unadjust treatments. In the future, the Company will continue to apply the InsurTech for product development, marketing, underwriting, and claims; and submit the application for patents. The Company will also continue to improve its operating efficiency, proactively activate its assets and diversified investment portfolio to increase the income from fund utilization and ensure maximum return for the shareholders.

Chairman: Steve Lee

President: Chao-Feng Chen

Chief Accountant: Pi-Chen Wang

Annex II

Audit Committee's 2022 Audit Report

The Board of Directors has prepared the 2022 Business Report, Financial Statements and the Earnings Distribution Proposal in accordance with Article 228 of the Company Act. The Financial Statements have been audited by CPA Wang-sheng Lin and CPA Wen-Yea Shyu of Deloitte & Touche, who have submitted an Audit Report. The preceding Business Report, Financial Statements and the Earnings Distribution Proposal have been reviewed by the Audit Committee who found no inconsistencies. In accordance with Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act, this report is submitted for shareholder's examination.

To:

2023 Annual General Meeting of Taiwan Fire & Marine Insurance Co., Ltd.

Audit Committee

Convener: Cheng-Ching Huang

April 27, 2023

Annex III

Taiwan Fire & Marine Insurance Co., Ltd. Operating Procedures for Use of Funds in Special Projects, Public Utilities, and Social Welfare Enterprises Comparative Table for the Amendments

Provisions after amendment	Provisions in force	Explanation
Article 6 Investment limit and management level: In the investment projects reviewed and approved by the securities investment group, the total investment in the same invested entity that hasn't exceeded NT\$100 million shall be subject to prior approval by the President; investments that haven't exceeded NT\$150 million shall be subject to prior approval by the Chairman; investments of more than NT\$150 million shall be subject to prior approval of the Board of Directors. Procedure for determination of transaction terms: I. The Financial Dept. prepares the "Investment Evaluation Summary Table" based on the investment research information, such as the Company's profile, overview of business, finance and industrial development trend collected by it, sets forth the investment orientation and framework, and establish the monitoring mechanism. II. The Financial Dept. produces the investment project proposal with respect to the entity to	Article 7 Investment limit and management level: In the investment projects reviewed and approved by the securities investment group, the total investment in the same invested entity that hasn't exceeded NT\$100 million shall be subject to prior approval by the President; investments that haven't exceeded NT\$150 million shall be subject to prior approval by the Chairman; investments of more than NT\$150 million shall be subject to prior approval of the Board of Directors. In any of the following circumstances, the Company may proceed to execute the project upon approval subject to the level of authority. The foregoing is not applied to the Company proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act: I. The insurer increases its monetary investment in an entity for such project as has been approved by the competent authority, without increasing its original share or	1. In response to the amendments of "Regulations Governing Use of Insurer's Funds in Special Projects, Public Utilities and Social Welfare Enterprises" (hereinafter referred to as the "Operating Procedures"), the current provisions are been split, the numbering of the related articles and paragraphs are adjusted accordingly. 2. The parts of current Paragraph 1 and Paragraphs 1~10 of Article 7 are changed to Article 6, with subparagraphs and texts amended. 3. According to Article 6 of the Operating Procedure, the Company shall seek financial reports (statements) and attend shareholders meeting of the investees. The said change is reflected in Paragraph 4

Provisions after amendment	Provisions in force	Explanation
be invested in accordance with the Company's "Directions for Securities Investment Operations," and submit the same to the Securities Investment Group. The contents thereof shall cover the data, such as the Company's overview, product descriptions, industrial development trend, analysis on competitiveness, overview of finance, trading price and evaluation conclusion. Internal audit system: I. Risk management measures (I) All investment projects shall avoid over-concentrated allocation of funds to the same industry category to strengthen the liquidity, profitability, and safety of the entire investment portfolio. (II) The Financial Dept. shall review whether its investment limit and operating procedure satisfy the relevant requirements, and complete the operations related to delivery and custody of certificates in order. (III) If any legal matters are involved in the process of investment, Financial Department shall consult with the Company's legal affairs unit or external legal	contribution in the total investment in the project. II. The invested entity is a venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses, the private equity funds listed in Subparagraph 2, Article 2 and Subparagraph 2, Paragraph 2, Article 5, the public utilities listed in Article 3 or the entity listed in Subparagraph 4 of Paragraph 2 of Article 5, and the total amount that the Company invests in one and the same entity is less than NT\$500 million and less than 5% of the owner's equity of the insurer. III. The invested entity is not such an enterprise as specified in the preceding Subparagraph and the total amount that the insurer invests in one and the same entity is less than NT\$50 million and less than 2% of the owner's equity of the Company. IV. Other circumstances regulated by the competent authority. When the Company is executing the investment referred to in the preceding paragraph, its risk-based capital ratio in the most recent period complies with the provisions of Paragraph 1,	

Provisions after amendment	Provisions in force	Explanation
advisor. Post-investment management method. I. Periodic evaluation and performance analysis: The Financial Dept. shall ask the invested entities for financial reports (statements) periodically, and attend general meetings convened by the invested entities. Meanwhile, it shall analyze the business and financial plans to know well about the invested entities' development status at any time and mitigate investment risk, and shall have its head report the invested entities' overview of business to the Company's Board of Directors on a semi-annual basis. II. Financial Dept. shall regularly review whether the actual investment conditions meet the original investment plan and scope, the regulations of the competent authority or the competent authorities of other industries, and evaluation and plans for the required response measures. III. For the invested entities listed in Subparagraph 2, Article 2, it must be reviewed and ensured that the invested entity does not involve itself in management right disputes of enterprises	Article 143-4 of the Insurance Act. If the invested entity is the entity regulated by the Act for PPP and the following investment amount and conditions are met, the Company can invest in such entity. The foregoing is not applied to the Company proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act: <u>I.</u> If the total amount of investment in one and the same project of the Company is less than NT\$1 billion and 10% of the owner's equity of the Company, the Company shall submit the documents referred to in Paragraph 1 of the preceding article to the Board of Directors for resolution and approval prior to the investment. <u>II.</u> The total amount of investment in one and the same project of the insurer is less than NT\$5 billion and 10% of the owner's equity of the Company, and the following conditions are fulfilled: (I) The financial conditions, corporate governance, and internal control of the Company must fulfill the following conditions:	

Provisions after amendment	Provisions in force	Explanation
in which it has direct or indirect investments, and such requirements must be included in the contracts or other agreement documents it has signed. The Company shall adopt the internal audit system in accordance with the “Regulations Governing Implementation of Internal Control and Auditing System of Insurers” and the Company's internal control system. I. Internal audit framework The Company establishes the Internal Audit Office under the Board of Directors, and delegates one General Auditor and an appropriate amount of qualified personnel as full-time internal auditors to conduct the auditing operations independently. II. Frequency and scope of audit Conduct the audit required under the “Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises” once per year with a view to confirming whether the related matters and controls comply with laws and the Company's regulations. III. Submission procedure of the audit report	- Both of the risk-based capital ratio of the Company in the most recent period and the average risk-based capital ratio of the Company over the most recent two years are 250% at least. - The documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors and resolved and approved by a majority of the directors at the Board meeting attended by over two-thirds of all directors before the investment is made. - Independent directors and Audit Committee have been delegated. - There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authority. - There have been no major sanctions or disciplinary actions imposed by the competent authority	

Provisions after amendment	Provisions in force	Explanation
A written audit report shall be produced and submitted to the Audit Committee for review within two months at the end of each audit. IV. Improvement tracking The Internal Audit Office shall ask Financial Dept. to improve the deficiencies found during the audit, continue to follow up and re-check the improvement, and include the improvement as an important indicator to determine the reward & punishment to, and performance appraisal on, Financial Department. If the Company invests in an enterprise listed in Article 3 and Article 4, the appointment of directors and supervisors and management system thereof shall follow the Company's "Internal Control Procedures," and when the Company appoints more than half of the directors of the invested entity, they must include least one independent director who must have the professional knowledge necessary for the business operations of the invested entity. The independent director must also maintain his independence within the scope of his job duty and may not have	in the most recent year, however, this does not include violations that have been rectified and affirmed by the competent authority. (II) The investment project complies with the financial standards set forth by the insurance association and filed with the competent authority for reference, has the guarantee or risk sharing mechanism provided by the authority in charge, and stipulates dispute settlement mechanism, and the documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors for resolution and approval prior to the investment. The total amount of investment referred to in Paragraph 3 made in accordance with the Act for PPP refers to the total amount of royalty, construction cost, and rent paid by the Company under the investment contract. Where the Company proceeds with investment in accordance with regulations in Paragraph 1 and Paragraph 3, shall provide the documents submitted to the competent authority for subsequent review, and the compliance officer of the headquarters of the Company must submit an opinion on the compliance with laws and internal regulations and sign	

Provisions after amendment	Provisions in force	Explanation
direct or indirect interests with the Company or its affiliate companies.	the statement to ensure accountability. Procedure for determination of transaction terms: I. The Financial Dept. prepares the “Investment Evaluation Summary Table” based on the investment research information, such as the Company's profile, overview of business, finance and industrial development trend collected by it, sets forth the investment orientation and framework, and establish the monitoring mechanism. II. The Financial Dept. produces the investment project proposal with respect to the entity to be invested in accordance with the Company's “Directions for Securities Investment Operations,” and submit the same to the Securities Investment Group. The contents thereof shall cover the data, such as the Company's overview, product descriptions, industrial development trend, analysis on competitiveness, overview of finance, trading price and evaluation conclusion. Internal audit system: I. Risk management measures (I) All investment projects shall avoid over-concentrated allocation of funds to	

Provisions after amendment	Provisions in force	Explanation
	the same industry category to strengthen the liquidity, profitability, and safety of the entire investment portfolio. (II) The Financial Dept. shall review whether its investment limit and operating procedure satisfy the relevant requirements, and complete the operations related to delivery and custody of certificates in order. (III) If any legal matters are involved in the process of investment, Financial Department shall consult with the Company's legal affairs unit or external legal advisor. II. Post-investment management method. (I) Periodic evaluation and performance analysis: The Financial Dept. shall ask the invested entities for financial reports (statements) periodically, or attend the board of directors' meetings and general meetings convened by the invested entities from time to time. Meanwhile, it shall analyze the business and financial plans to know well about the invested entities' development status at any time and mitigate investment risk, and shall have its head report the invested entities' overview of business to the	

Provisions after amendment	Provisions in force	Explanation
	Company's Board of Directors on a semi-annual basis. (II) Financial Dept. shall regularly review whether the actual investment conditions meet the original investment plan and scope, the regulations of the competent authority or the competent authorities of other industries, and evaluation and plans for the required response measures. For the invested entities listed in Subparagraph 2, Article 2, the post-investment management methods in the preceding paragraph must include a review to ensure that the invested entity does not involve itself in management right disputes of enterprises in which it has direct or indirect investments, and such requirements must be included in the contracts or other agreement documents it has signed. The Company shall adopt the internal audit system in accordance with the “Regulations Governing Implementation of Internal Control and Auditing System of Insurers” and the Company's internal control system. I. Internal audit framework The Company establishes the Internal Audit Office under the Board of Directors, and delegates one General Auditor and an appropriate amount of	

Provisions after amendment	Provisions in force	Explanation
	qualified personnel as full-time internal auditors to conduct the auditing operations independently. II. Frequency and scope of audit Conduct the audit required under the “Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises” once per year with a view to confirming whether the related matters and controls comply with laws and the Company's regulations. III. Submission procedure of the audit report A written audit report shall be produced and submitted to the Audit Committee for review within two months at the end of each audit. IV. Improvement tracking The Internal Audit Office shall ask Financial Dept. to improve the deficiencies found during the audit, continue to follow up and re-check the improvement, and include the improvement as an important indicator to determine the reward & punishment to, and performance appraisal on, Financial Department. If the Company invests in an enterprise listed in Article 3 and Article 4, the appointment of directors and supervisors	

Provisions after amendment	Provisions in force	Explanation
	and management system thereof shall follow the Company's "Internal Control Procedures," and when the Company appoints more than half of the directors of the invested entity, they must include least one independent director who must have the professional knowledge necessary for the business operations of the invested entity. The independent director must also maintain his independence within the scope of his job duty and may not have direct or indirect interests with the Company or its affiliate companies.	
Article 7 Original investment amount: I. The limits for the Company engaging in investment on special projects, public utilities, and social welfare enterprises shall be no more than 10% of the Company's capital in total. II. The total amount of investment by the Company in one and the same entity shall be no more than 5% of the Company's capital except for the invested entity listed in Paragraph 2 of Article 5. III. The investment in one and the same entity shall comply with the following requirements: (I) Where the invested	Article 8 Original investment amount: I. The limits for the Company engaging in investment on special projects, public utilities, and social welfare enterprises shall be no more than 10% of the Company's capital in total. II. The total amount of investment by the Company in one and the same entity shall be no more than 5% of the Company's capital except for the invested entity listed in Paragraph 2 of Article 5. III. The investment in one and the same entity shall comply with the following requirements: (I) Where the invested entity is a venture	1.Article numbering amended accordingly 2.Amendments made to the Item (III)-4, subparagraph 3, Paragraph 1 in accordance to the amended Article 7 of the Operating Procedures promulgated via FSC's order under Jin-Guan-Bao-Cai-Zi No. 1104916622 dated May 20, 2022, when making the investments referred to in Article 3 and Article 4 thereof, the Company shall comply with the related investment limit requirements, provided that the Company has never received any major disciplinary actions

Provisions after amendment	Provisions in force	Explanation
entity is a venture investment enterprise, and the entity referred to in subparagraph 4, Paragraph 2 of Article 5, such amount shall be no more than 25% of the invested entity's paid-in capital or paid-in capital contribution. (II) Where the investment is made onto a private equity fund listed in Subparagraph 2, Article 2, it may not exceed the paid-in capital of the invested entity or 20% of the actual capital contribution. However, if it meets the regulations of the competent authority, it may not exceed the paid-in capital of the invested entity or 25% of the actual capital contribution. (III) Where the investment is made onto an enterprise with the items enumerated under Article 3 and 4, such amount shall be no more than 45% of the invested entity's paid-in capital or paid-in capital contribution. The foregoing is not applied to the insurer which is qualified with the following conditions and obtains the approval of the competent authority: 1. The Company's risk-based capital ratio in the most recent period complies with the	investment enterprise, and the entity referred to in subparagraph 4, Paragraph 2 of Article 5, such amount shall be no more than 25% of the invested entity's paid-in capital or paid-in capital contribution. (II) Where the investment is made onto a private equity fund listed in Subparagraph 2, Article 2, it may not exceed the paid-in capital of the invested entity or 20% of the actual capital contribution. However, if it meets the regulations of the competent authority, it may not exceed the paid-in capital of the invested entity or 25% of the actual capital contribution. (III) Where the investment is made onto an enterprise with the items enumerated under Article 3 and 4, such amount shall be no more than 45% of the invested entity's paid-in capital or paid-in capital contribution. The foregoing is not applied to the insurer which is qualified with the following conditions and obtains the approval of the competent authority: 1. The Company's risk-based capital ratio in the most recent period complies with the provisions of	imposed by the competent authority for its fund utilization in the recent year, it may apply with the competent authority for special approval pursuant to the provision herein. 3. Paragraph 2 is been amended as Article 7 of the Operating Procedures, the definition of "major sanctions and disciplinary actions" shall be consistent with the Article 2 of the Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation. 4. Text amendments made accordingly.

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provisions of Paragraph 1, Article 143-4 of the Insurance Act. 2. The investment project has been approved by the Board of Directors, and independent directors and Audit Committee have been delegated too. 3. There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authorities with relevant supporting document. 4. There have been no major sanctions or disciplinary actions imposed by the competent authority in the most recent year for the company engaging in investment, however, this does not include violations that have been rectified and affirmed by the competent authority. 5. If this is not the first investment and the investment amount is no less than 45% of the invested	Paragraph 1, Article 143-4 of the Insurance Act. 2. The investment project has been approved by the Board of Directors, and independent directors and Audit Committee have been delegated too. 3. There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authorities with relevant supporting document. 4. There have been no major sanctions or disciplinary actions imposed by the competent authority in the most recent year, however, this does not include violations that have been rectified and affirmed by the competent authority. 5. If this is not the first investment and the investment amount is no less than 45% of the invested entity's paid-in capital or paid-in capital contribution, the invested entity shall show no accumulated losses	

Provisions after amendment	Provisions in force	Explanation
entity's paid-in capital or paid-in capital contribution, the invested entity shall show no accumulated losses in the financial statement for the most recent period unless the invested entity is a private institution regulated by the Act for Promotion of Private Participation in Infrastructure Projects (PPIP). (IV) Except for the invested entity prescribed in the preceding three items, such amount shall be no more than 10% of the invested entity's paid-in capital or paid-in capital contribution. IV. In case of securitization products issued by the Company aiming at the contents set forth in Article 3 and 4 as the target, such insurer may invest within the limit of 10% of the total amount of the securitization products, free of the restriction of the investment ratio set forth in the preceding Subparagraph. V. The total amount of the Company invested in the entity listed in Paragraph 2 of Article 5 shall not exceed 2% of its total funds. VI. The investment in emerging and key strategic projects or venture investment enterprises shall comply	in the financial statement for the most recent period unless the invested entity is a private institution regulated by the Act for PPP. (IV) Except for the invested entity prescribed in the preceding three items, such amount shall be no more than 10% of the invested entity's paid-in capital or paid-in capital contribution. IV. In case of securitization products issued by the Company aiming at the contents set forth in Article 3 and 4 as the target, such insurer may invest within the limit of 10% of the total amount of the securitization products, free of the restriction of the investment ratio set forth in the preceding Subparagraph. V. The total amount of the Company invested in the entity listed in Paragraph 2 of Article 5 shall not exceed 2% of its total funds. VI. The investment in emerging and key strategic projects or venture investment enterprises shall comply with the following requirements: (I) The total amount of investment in any emerging and key strategic project shall be no more than 3% of the Company's capital. (II) The total amount of	

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with the following requirements: (I) The total amount of investment in any emerging and key strategic project shall be no more than 3% of the Company's capital. (II) The total amount of investment in any venture investment enterprise shall be no more than 8% of the Company's capital. The total amount of any venture investment enterprise managed by the same management consulting service company shall be no more than 6% of the Company's capital. The major sanctions and disciplinary actions as prescribed in Item 3-4, subparagraph 3, Paragraph 1 of Article 7, and Item 1-5, subparagraph 2, Paragraph 3 of Article 10 refer to one of the major sanctions and disciplinary actions as specified in Article 2 of the FSC's Regulations Governing Public Announcement and Explanation of Major Sanctions and Disciplinary Actions for Violations of Financial Laws. Where, after the Company engages in investment on special projects, public utilities, and social welfare enterprises, the enterprise is qualified to accept investments under the subparagraph 3 or 4, Paragraph 1 of Article 146-1 of the Insurance Act, the investments in such entity shall be governed by the	investment in any venture investment enterprise shall be no more than 8% of the Company's capital. The total amount of any venture investment enterprise managed by the same management consulting service company shall be no more than 6% of the Company's capital. VII. Where, after the Company invests in an entity, such entity is qualified to accept investments under the subparagraph 3 or 4, Paragraph 1 of Article 146-1 of the Insurance Act, the investments in such entity shall be governed by the subparagraph 3 or 4, Paragraph 1 of Article 146-1 of the Insurance Act instead. provided that if the said investment exceeds the ratio as prescribed in subparagraph 3 or 4 of Paragraph 1 or Paragraph 2 of Article 146-1 of the Act, no additional funds shall be invested by the Company in the entity unless the entity requires capital increase by the Company on a pro rata basis subject to the Company's original equity share in the entity. VIII. Where the Company and its stakeholders jointly hold an invested entity listed in subparagraph 2 of Article 2, and	

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subparagraph 3 or 4, Paragraph 1 of Article 146-1 of the Insurance Act instead. provided that if the said investment exceeds the ratio as prescribed in subparagraph 3 or 4 of Paragraph 1 or Paragraph 2 of Article 146-1 of the Act, no additional funds shall be invested by the Company in the entity unless the entity requires capital increase by the Company on a pro rata basis subject to the Company's original equity share in the entity. VII. Where the Company and its stakeholders jointly hold an invested entity listed in subparagraph 2 of Article 2, and subparagraph 1, 2 and 4 of Paragraph 2 of Article 5 or take any methods to achieve controlling and subordinate relations with the same invested entity, the following requirements shall be met: (I) The Company may not take any direct or indirect methods via the entity to intervene in the business management and investment decisions of the same entity and its invested entity; (II) The combined investments of the Company and the entity in a company stock whose public issuance is approved by law as prescribed in subparagraph 3, Paragraph 1 of Article	subparagraph 1, 2 and 4 of Paragraph 2 of Article 5 or take any methods to achieve controlling and subordinate relations with the same invested entity, the following requirements shall be met: (I) The Company may not take any direct or indirect methods via the entity to intervene in the business management and investment decisions of the same entity and its invested entity; (II) The combined investments of the Company and the entity in a company stock whose public issuance is approved by law as prescribed in subparagraph 3, Paragraph 1 of Article 146-1 of the Insurance Act may not exceed the limit as prescribed in subparagraph 3, Paragraph 1 of Article 146-1 of the Act. (III) The company stocks identified in subparagraph 3, Paragraph 1 of Article 146-1 of the Insurance Act as invested by the entity referred to in the preceding item, which the Company shall combine into the calculation, is calculated based on the Company's investment ratio in the entity. Where the limit is exceeded, the insurer shall comply with the	

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146-1 of the Insurance Act may not exceed the limit as prescribed in subparagraph 3, Paragraph 1 of Article 146-1 of the Act. The company stocks identified in subparagraph 3, Paragraph 1 of Article 146-1 of the Insurance Act as invested by the entity referred to in subparagraph 2, paragraph 4 of Article 7, which the Company shall combine into the calculation, is calculated based on the Company's investment ratio in the entity. Where the limit is exceeded, the insurer shall comply with the following regulations before the condition is improved: 1. The Company's shareholding in the aforementioned company stock may not be increased; 2. The entity's shareholding in said company stock which the Company shall combine into the calculation may not be increased.	following regulations before the condition is improved: 1. The Company's shareholding in the aforementioned company stock may not be increased; 2. The entity's shareholding in said company stock which the Company shall combine into the calculation may not be increased. The major sanctions and disciplinary actions as prescribed in Item 1-5, subparagraph 2, Paragraph 3 of Article 7, and Item 3-4, subparagraph 3, Paragraph 1 of Article 8 refer to one of the major sanctions and disciplinary actions as specified in subparagraphs 1~12 of Article 2 of the FSC's Regulations Governing Public Announcement and Explanation of Major Sanctions and Disciplinary Actions for Violations of Financial Laws, and a fine of at least three times the minimum statutory amount for a single violation action as prescribed in subparagraph 13 of said Regulations.	
Article 8 If the total amount of the Company invested in one and the same invested exceeds half of the paid-in capital or half of the total outstanding voting shares of such invested entity, the followings shall be complied with: I. The insurer shall ensure that the invested entity has set up an internal	Article 9 If the total amount of the Company invested in one and the same invested exceeds half of the paid-in capital or half of the total outstanding voting shares of such invested entity, the followings shall be complied with: I. The insurer shall ensure that the invested entity has set up an internal	Article numbering amended accordingly

Provisions after amendment	Provisions in force	Explanation
audit unit and set out in its internal control system the procedures and methods for self-assessment operation. Compliance with this implementation shall be tracked periodically by the insurer. II. The insurer shall ensure that the invested entity has agreed to provide at least an annual audit report or self-assessment report to the Company. The Company shall also ensure that the invested entity has agreed to submit a report to it within 10 days from the date the invested entity has found any violation or abnormality of the internal control system while conducting a project or annual audit. III. The Company shall ensure that the invested entity has agreed it to conduct an on-site audit on the invested entity during the investment period. IV. If the income after tax of the invested entity in the most recent accounting year is negative or the invested entity generates accumulated losses after the investment, the Company shall submit an improvement plan to its Board of Directors within two months from the date the financial report has been prepared by the	audit unit and set out in its internal control system the procedures and methods for self-assessment operation. Compliance with this implementation shall be tracked periodically by the insurer. II. The insurer shall ensure that the invested entity has agreed to provide at least an annual audit report or self-assessment report to the Company. The Company shall also ensure that the invested entity has agreed to submit a report to it within 10 days from the date the invested entity has found any violation or abnormality of the internal control system while conducting a project or annual audit. III. The Company shall ensure that the invested entity has agreed it to conduct an on-site audit on the invested entity during the investment period. IV. If the income after tax of the invested entity in the most recent accounting year is negative or the invested entity generates accumulated losses after the investment, the Company shall submit an improvement plan to its Board of Directors within two months from the date the financial report has been prepared by the invested entity. Additionally, the Internal Audit Office of	

Provisions after amendment	Provisions in force	Explanation
invested entity. Additionally, the Internal Audit Office of the Company shall submit a quarterly audit report on the implementation of the improvement plan to the Board of Directors. V. The Internal Audit Office shall track the improvement status of the invested entity on the deficiencies and extraordinary circumstances mentioned in subparagraph 2 and conduct an on-site audit on the invested entity once every six months. The relevant tracking and audit items shall be included in scope of the internal control and audit of the Company. If any misconduct or material malpractice is detected, the Company shall immediately inform the invested entity and periodically prepare a tracking report. The completed audit and tracking report shall be submitted to the latest meeting of the Board of Directors of the Company. VI. The subsidiaries shall comply with the required control procedure according to the “Regulations Governing Implementation of Internal Control and Auditing System of Insurers” and	the Company shall submit a quarterly audit report on the implementation of the improvement plan to the Board of Directors. V. The Internal Audit Office shall track the improvement status of the invested entity on the deficiencies and extraordinary circumstances mentioned in subparagraph 2 and conduct an on-site audit on the invested entity once every six months. The relevant tracking and audit items shall be included in scope of the internal control and audit of the Company. If any misconduct or material malpractice is detected, the Company shall immediately inform the invested entity and periodically prepare a tracking report. The completed audit and tracking report shall be submitted to the latest meeting of the Board of Directors of the Company. VI. The subsidiaries shall comply with the required control procedure according to the “Regulations Governing Implementation of Internal Control and Auditing System of Insurers” and “Regulations Governing Establishment of Internal Control Systems by Public Companies”. VII. The insurer shall	

Provisions after amendment	Provisions in force	Explanation
“Regulations Governing Establishment of Internal Control Systems by Public Companies”. VII. The insurer shall establish a monitoring and audit management system. Such monitoring and audit system shall at least include the regulations prescribes in the preceding six subparagraphs and be submitted to and passed by the board of directors. If the independent directors have objections or reserve their opinions, the meeting minutes shall record the details. The audit and tracking report prescribed in Subparagraph 5 of previous Paragraph shall be signed by the general manager, the general auditor, and the compliance officer of the headquarter of the Company. The content of the audit report shall at least include the followings: I. Operating status of the invested entity; II. Quarterly financial statement of the invested entity; III. The meeting minutes and the implementation status of the resolutions passed by the board of directors of the invested entity; IV. The implementation status of the resolutions passed by the shareholders meeting of	establish a monitoring and audit management system. Such monitoring and audit system shall at least include the regulations prescribes in the preceding six subparagraphs and be submitted to and passed by the board of directors. If the independent directors have objections or reserve their opinions, the meeting minutes shall record the details. The audit and tracking report prescribed in Subparagraph 5 of previous Paragraph shall be signed by the general manager, the general auditor, and the compliance officer of the headquarter of the Company. The content of the audit report shall at least include the followings: I. Operating status of the invested entity; II. Quarterly financial statement of the invested entity; III. The meeting minutes and the implementation status of the resolutions passed by the board of directors of the invested entity; IV. The implementation status of the resolutions passed by the shareholders meeting of the invested entity; V. The existence of violation or abnormalities in the internal control system of the invested entity; and VI. Whether the invested entity has a major	

Provisions after amendment	Provisions in force	Explanation
the invested entity; V. The existence of violation or abnormalities in the internal control system of the invested entity; and VI. Whether the invested entity has a major violation or has been involved in any illegal activity. The Company shall comply with Article 11 of the “Regulations Governing Public Disclosure of Information by Property Insurers” to disclose the audit report for the implementation of investment improvement plans listed in subparagraph 4 of Paragraph 1, as well as the complete audit report of the invested entity listed in subparagraph 5 in the same Paragraph to the public under the notes which shall be made under the information disclosure website. Said disclosure information shall be updated within 10 days after submission to the Board of Directors.	violation or has been involved in any illegal activity. The Company shall comply with Article 11 of the “Regulations Governing Public Disclosure of Information by Property Insurers” to disclose the audit report for the implementation of investment improvement plans listed in subparagraph 4 of Paragraph 1, as well as the complete audit report of the invested entity listed in subparagraph 5 in the same Paragraph to the public under the notes which shall be made under the information disclosure website. Said disclosure information shall be updated within 10 days after submission to the Board of Directors.	
Article 9 When using its funds for special projects, public utilities and social welfare enterprises, the Company shall apply for approval from the competent authorities by submitting the following documents: I. Investment plan and objectives (including objectives, method, market analysis, cost analysis, analysis of long-term and short-term return on	Article 6 When using its funds for special projects, public utilities and social welfare enterprises, the Company shall apply for approval from the competent authorities by submitting the following documents: I. Investment plan and objectives (including objectives, method, market analysis, cost analysis, analysis of long-term and short-term return on investment,	1. Article numbering amended accordingly 2. Text amendments made accordingly for subparagraph 8 of Paragraph 1, in response to the original Article 7 split into Article 6 and Article 10,

Provisions after amendment	Provisions in force	Explanation
investment, composition of shareholders or partners' structure of the limited partnership enterprise and management team). This document can be replaced by a letter of opinion on the financial adequacy of the investment project issued by a certified public accountant and a letter of legal opinion on the legitimacy of the investment project issued by a qualified lawyer where the investment is made onto an enterprise with the items enumerated under Articles 3 and 4. II. Details of the funds used for the special project or public utilities or social welfare enterprises, and analysis of return (including analysis of return on investment in each phase with explanatory notes) III. Financial statements of the invested entity. This document does not need to be attached if the invested entity has been established for less than a year. IV. Summary of the limited partnership agreement draft if the invested entity is the limited partnership enterprise provided in Paragraph 2 of Article 5. V. Documents regarding decisions resolved or	composition of shareholders or partners' structure of the limited partnership enterprise and management team). This document can be replaced by a letter of opinion on the financial adequacy of the investment project issued by a certified public accountant and a letter of legal opinion on the legitimacy of the investment project issued by a qualified lawyer where the investment is made onto an enterprise with the items enumerated under Articles 3 and 4. II. Details of the funds used for the special project or public utilities or social welfare enterprises, and analysis of return (including analysis of return on investment in each phase with explanatory notes) III. Financial statements of the invested entity. This document does not need to be attached if the invested entity has been established for less than a year. IV. Summary of the limited partnership agreement draft if the invested entity is the limited partnership enterprise provided in Paragraph 2 of Article 5. V. Documents regarding decisions resolved or powers authorized by the board of directors. VI. Post-investment	

Provisions after amendment	Provisions in force	Explanation
powers authorized by the board of directors. VI. Post-investment management methods and evaluation and plans for the response measures. If the invested entity is an enterprise listed in Article 3 or Article 4 and requires environmental impact assessment report in accordance with the Environmental Impact Assessment Act, the Company shall explain Post-investment management methods of environmental impact assessment items. VII. If the invested entity is listed in Subparagraph 2, Article 2, provide the fundraising plans and investment decision-making mechanisms, post-loan management, information disclosure, and mechanisms for preventing conflicts of interest. VIII. If the invested entity is an enterprise listed in Article 3 or Article 4, provide an explanation of the list of directors and supervisors it has appointed, management mechanisms for ensuring proper exercise of rights, material decisions, and post-investment management mechanisms. If the total number of directors	management methods and evaluation and plans for the response measures. If the invested entity is an enterprise listed in Article 3 or Article 4 and requires environmental impact assessment report in accordance with the Environmental Impact Assessment Act, the Company shall explain Post-investment management methods of environmental impact assessment items. VII. If the invested entity is listed in Subparagraph 2, Article 2, provide the fundraising plans and investment decision-making mechanisms, post-loan management, information disclosure, and mechanisms for preventing conflicts of interest. VIII. If the invested entity is an enterprise listed in Article 3 or Article 4, provide an explanation of the list of directors and supervisors it has appointed, management mechanisms for ensuring proper exercise of rights, material decisions, and post-investment management mechanisms. If the total number of directors appointed by the insurer exceeds half of all directors, it must provide explanation documents for the criteria for the independence of	

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appointed by the insurer exceeds half of all directors, it must provide explanation documents for the criteria for the independence of directors specified in Paragraph 6, Article 6. IX. Letters of approval issued by the relevant authorities. X. Other information specified by the competent authority. Any change in the directors and supervisors assigned by enterprises listed in Article 3 and Article 4 with investments from the Company must be reported to the competent authorities for reference. °	directors specified in Paragraph 10, Article 7. IX. Letters of approval issued by the relevant authorities. X. Other information specified by the competent authority. Any change in the directors and supervisors assigned by enterprises listed in Article 3 and Article 4 with investments from the Company must be reported to the competent authorities for reference.	
Article 10 In any of the following circumstances, the Company may proceed to engage in investment on special projects, public utilities, and social welfare enterprises upon approval subject to the level of authority. The foregoing is not applied to the Company proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act: I. The insurer increases its monetary investment in an entity for such project as has been approved by the competent authority, without increasing its original share or	Article 7 Investment limit and management level: In the investment projects reviewed and approved by the securities investment group, the total investment in the same invested entity that hasn't exceeded NT\$100 million shall be subject to prior approval by the President; investments that haven't exceeded NT\$150 million shall be subject to prior approval by the Chairman; investments of more than NT\$150 million shall be subject to prior approval of the Board of Directors. In any of the following circumstances, the Company may proceed to execute the project upon approval subject to the level of authority. The foregoing is not applied to the Company	1. Article numbering amended accordingly 2. The latter part of the current Paragraph 1 and Paragraphs 2~5 of Article 7 was altered as Article 10, and text amendments made accordingly. 3. The reasons for amendments to Items (1)-5, subparagraph 2, Paragraph 3 are the same as those referred to in Explanation 2 to Article 7.

Provisions after amendment	Provisions in force	Explanation
contribution in the total investment in the project. II. The invested entity is a venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses, the private equity funds listed in Subparagraph 2, Article 2 and Subparagraph 2, Paragraph 2, Article 5, the public utilities listed in Article 3 or the entity listed in Subparagraph 4 of Paragraph 2 of Article 5, and the total amount that the Company invests in one and the same entity is less than NT\$500 million and less than 5% of the owner's equity of the insurer. III. The invested entity is not such an enterprise as specified in the preceding Subparagraph and the total amount that the insurer invests in one and the same entity is less than NT\$50 million and less than 2% of the owner's equity of the Company. IV. Other circumstances regulated by the competent authority. When the Company is executing the investment referred to in the preceding paragraph, its risk-based capital ratio in the most recent period complies with	proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act: I. The insurer increases its monetary investment in an entity for such project as has been approved by the competent authority, without increasing its original share or contribution in the total investment in the project. II. The invested entity is a venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses, the private equity funds listed in Subparagraph 2, Article 2 and Subparagraph 2, Paragraph 2, Article 5, the public utilities listed in Article 3 or the entity listed in Subparagraph 4 of Paragraph 2 of Article 5, and the total amount that the Company invests in one and the same entity is less than NT\$500 million and less than 5% of the owner's equity of the insurer. III. The invested entity is not such an enterprise as specified in the preceding Subparagraph	

Provisions after amendment	Provisions in force	Explanation
the provisions of Paragraph 1, Article 143-4 of the Insurance Act. If the invested entity is the entity regulated by the Act for PPP and the following investment amount and conditions are met, the Company can invest in such entity. The foregoing is not applied to the Company proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act: I. If the total amount of investment in one and the same project of the Company is less than NT\$1 billion and 10% of the owner's equity of the Company, the Company shall submit the documents referred to in Paragraph 1 of the preceding article to the Board of Directors for resolution and approval prior to the investment. II. The total amount of investment in one and the same project of the insurer is less than NT\$5 billion and 10% of the owner's equity of the Company, and the following conditions are fulfilled: (I) The financial conditions, corporate governance, and internal control of the Company must fulfill the following	and the total amount that the insurer invests in one and the same entity is less than NT\$50 million and less than 2% of the owner's equity of the Company. IV. Other circumstances regulated by the competent authority. When the Company is executing the investment referred to in the preceding paragraph, its risk-based capital ratio in the most recent period complies with the provisions of Paragraph 1, Article 143-4 of the Insurance Act. If the invested entity is the entity regulated by the Act for PPP and the following investment amount and conditions are met, the Company can invest in such entity. The foregoing is not applied to the Company proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act: I. If the total amount of investment in one and the same project of the Company is less than NT\$1 billion and 10% of the owner's equity of the Company, the Company shall submit the documents referred to in Paragraph 1 of the preceding article to the Board of Directors for resolution and approval	

Provisions after amendment	Provisions in force	Explanation
conditions: 1. Both of the risk-based capital ratio of the Company in the most recent period and the average risk-based capital ratio of the Company over the most recent two years are 250% at least. 2. The documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors and resolved and approved by a majority of the directors at the Board meeting attended by over two-thirds of all directors before the investment is made. 3. Independent directors and Audit Committee have been delegated. 4. There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authority. 5. There have been no major sanctions or disciplinary actions imposed by the competent authority in the most recent year for the company engaging in investment, however, this does not include violations that have been rectified and affirmed by the competent authority.	prior to the investment. II. The total amount of investment in one and the same project of the insurer is less than NT\$5 billion and 10% of the owner's equity of the Company, and the following conditions are fulfilled: (I) The financial conditions, corporate governance, and internal control of the Company must fulfill the following conditions: 1. Both of the risk-based capital ratio of the Company in the most recent period and the average risk-based capital ratio of the Company over the most recent two years are 250% at least. 2. The documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors and resolved and approved by a majority of the directors at the Board meeting attended by over two-thirds of all directors before the investment is made. 3. Independent directors and Audit Committee have been delegated.	

Provisions after amendment	Provisions in force	Explanation
(II)The investment project complies with the financial standards set forth by the insurance association and filed with the competent authority for reference, has the guarantee or risk sharing mechanism provided by the authority in charge, and stipulates dispute settlement mechanism, and the documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors for resolution and approval prior to the investment. The total amount of investment referred to in Paragraph 3 made in accordance with the Act for PPP refers to the total amount of royalty, construction cost, and rent paid by the Company under the investment contract. Where the Company proceeds with investment in accordance with regulations in Paragraph 1 and Paragraph 3, shall provide the documents submitted to the competent authority for subsequent review, and the compliance officer of the headquarters of the Company must submit an opinion on the compliance with laws and internal regulations and sign the statement to ensure accountability.	4. There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authority. 5. There have been no major sanctions or disciplinary actions imposed by the competent authority in the most recent year, however, this does not include violations that have been rectified and affirmed by the competent authority. (II) The investment project complies with the financial standards set forth by the insurance association and filed with the competent authority for reference, has the guarantee or risk sharing mechanism provided by the authority in charge, and stipulates dispute settlement mechanism, and the documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors for resolution and approval prior to the investment. The total amount of	

Provisions after amendment	Provisions in force	Explanation
	investment referred to in Paragraph 3 made in accordance with the Act for PPP refers to the total amount of royalty, construction cost, and rent paid by the Company under the investment contract. Where the Company proceeds with investment in accordance with regulations in Paragraph 1 and Paragraph 3, shall provide the documents submitted to the competent authority for subsequent review, and the compliance officer of the headquarters of the Company must submit an opinion on the compliance with laws and internal regulations and sign the statement to ensure accountability. Procedure for determination of transaction terms: I. The Financial Dept. prepares the “Investment Evaluation Summary Table” based on the investment research information, such as the Company's profile, overview of business, finance and industrial development trend collected by it, sets forth the investment orientation and framework, and establish the monitoring mechanism. II. The Financial Dept. produces the investment project proposal with respect to the entity to be invested in accordance with the Company's “Directions for Securities Investment	

Provisions after amendment	Provisions in force	Explanation
	Operations,” and submit the same to the Securities Investment Group. The contents thereof shall cover the data, such as the Company's overview, product descriptions, industrial development trend, analysis on competitiveness, overview of finance, trading price and evaluation conclusion. Internal audit system: I. Risk management measures (I) All investment projects shall avoid over-concentrated allocation of funds to the same industry category to strengthen the liquidity, profitability, and safety of the entire investment portfolio. (II) The Financial Dept. shall review whether its investment limit and operating procedure satisfy the relevant requirements, and complete the operations related to delivery and custody of certificates in order. (III) If any legal matters are involved in the process of investment, Financial Department shall consult with the Company's legal affairs unit or external legal advisor. II. Post-investment management method. (I) Periodic evaluation and	

Provisions after amendment	Provisions in force	Explanation
	performance analysis: The Financial Dept. shall ask the invested entities for financial reports (statements) periodically, or attend the board of directors' meetings and general meetings convened by the invested entities from time to time. Meanwhile, it shall analyze the business and financial plans to know well about the invested entities' development status at any time and mitigate investment risk, and shall have its head report the invested entities' overview of business to the Company's Board of Directors on a semi-annual basis. (II) Financial Dept. shall regularly review whether the actual investment conditions meet the original investment plan and scope, the regulations of the competent authority or the competent authorities of other industries, and evaluation and plans for the required response measures. For the invested entities listed in Subparagraph 2, Article 2, the post-investment management methods in the preceding paragraph must include a review to ensure that the invested entity does not involve itself in management right disputes of	

Provisions after amendment	Provisions in force	Explanation
	enterprises in which it has direct or indirect investments, and such requirements must be included in the contracts or other agreement documents it has signed. The Company shall adopt the internal audit system in accordance with the “Regulations Governing Implementation of Internal Control and Auditing System of Insurers” and the Company's internal control system. I. Internal audit framework The Company establishes the Internal Audit Office under the Board of Directors, and delegates one General Auditor and an appropriate amount of qualified personnel as full-time internal auditors to conduct the auditing operations independently. II. Frequency and scope of audit Conduct the audit required under the “Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises” once per year with a view to confirming whether the related matters and controls comply with laws and the Company's regulations. III. Submission procedure of the audit report A written audit report shall be produced and	

Provisions after amendment	Provisions in force	Explanation
	submitted to the Audit Committee for review within two months at the end of each audit. IV. Improvement tracking The Internal Audit Office shall ask Financial Dept. to improve the deficiencies found during the audit, continue to follow up and re-check the improvement, and include the improvement as an important indicator to determine the reward & punishment to, and performance appraisal on, Financial Department. If the Company invests in an enterprise listed in Article 3 and Article 4, the appointment of directors and supervisors and management system thereof shall follow the Company's "Internal Control Procedures," and when the Company appoints more than half of the directors of the invested entity, they must include least one independent director who must have the professional knowledge necessary for the business operations of the invested entity. The independent director must also maintain his independence within the scope of his job duty and may not have direct or indirect interests with the Company or its affiliate companies.	

Provisions after amendment	Provisions in force	Explanation
Article 12 Any matters not covered herein shall be governed by related laws and regulations and the Company's other related operating procedures.	Article 10 Any matters not covered herein shall be governed by related laws and regulations and the Company's other related operating procedures.	Article numbering amended accordingly.
Article 13 The Procedures shall be enforced upon approval of the Board of Directors, and reported to the competent authority and a general meeting. The same shall apply where the Procedures are amended.	Article 12 The Procedures shall be enforced upon approval of the Board of Directors, and reported to the competent authority and a general meeting. The same shall apply where the Procedures are amended.	Article numbering amended accordingly.

Annex IV

ICPA's Audit Report

To Taiwan Fire & Marine Insurance Co., Ltd.:

Audit Opinions

We, as the CPAs, have completed the audit of the balance sheets dated December 31 of 2022 and 2021 and the comprehensive income statement, statement of changes in equity, statement of cash flows, and financial statement from January 1 to December 31 of 2022 and 2021, including summaries of major accounting policies of Taiwan Fire & Marine Insurance Co., Ltd.

As CPAs, we believe that the above-mentioned financial statements, in all major respects, were prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and International Financial Reporting Standards Interpretations Committee's Interpretations (IFRSIC) and Standing Interpretation Committee's Interpretative Announcement (SIC) approved and released to take effect by the Financial Supervisory Commission and hence are sufficient to show the financial standing of Taiwan Fire & Marine Insurance Co., Ltd. , its financial performance between December 31, of 2022 and 2021, and its financial performance and cash flows between January 1 and December 31 of 2022 and 2021.

Bases for the Audit Opinions

We followed the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing rules while performing the audit. The responsibilities of the CPAs under the said standards will be explained further in the section about responsibilities in auditing the financial statement. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations pursuant to professional CPA standards and have remained independent of Taiwan Fire & Marine Insurance Co., Ltd. and fulfilled other responsibilities under said regulations. We believe that sufficient and adequate evidence has been obtained for the audit to serve as the basis for expressing the audit opinions.

Key Matters Being Audited

Key matters being audited refer to the most important matters based on the professional judgment of the CPAs to be included in the audit of the financial statement of 2022 of Taiwan Fire & Marine Insurance Co., Ltd. Such matters were addressed throughout the audit of the financial statement and during the formation of audit opinions. The CPAs do not express separate opinions regarding these matters.

Key matters being audited of the 2022 financial statement of Taiwan Fire & Marine Insurance Co., Ltd. are specified as follows:

Claim reserves

Descriptions for the Key Matters Being Audited

By nature, the claim reserves can be divided as reported but not paid or reported. The former is calculated by claim personnel based on the actual relevant information by insurance categories for each case; the latter is estimated in the manners meeting the actuarial principles by the actuarial personnel based on past claim experience and expenses by insurance categories. The key assumption is the development trend of the actual losses from claims in each accident year, and such trend is established by referring the actual experience of Taiwan Fire & Marine Insurance Co., Ltd.

Considering that the management's calculation of the claim reserves involves estimates, judgment, actuarial method and important hypotheses, any update on related information, deviation from important estimation and judgment, adoption of actuarial method or changes of important hypotheses will be critical to the calculation result of claim reserves. Therefore, it was included into the key audit matters (KAMs).

For the related accounting policies, accounting estimation and estimation uncertainties about the claim reserves, and related disclosure information, please refer to Note 4(12), 4(14), 5, 19, 27, 28 and 29(1) of the Financial Statements.

Responding Audit Procedures

1. To understand the related internal control established by the management for the estimated claim reserves, and test the status of the compliance with the internal control.
2. The actuarial experts of the firm have assisted in the assessment of the reasonableness of the applied actuarial methods and key assumptions. The major procedure is as follows:
 - (1) The actuarial experts of the firm obtained the information from each accident year developed until December 31, 2022 (e.g. the policies with claims and the amounts of claims each year), and regenerated the development trend of losses, estimated loss rate and key assumptions using actuarial methods, in order to assess whether the

development trend of losses, estimated loss rate and key assumptions applied by Taiwan Fire & Marine Insurance Co., Ltd. are reasonable.

- (2) Based on the regenerated development trend of losses, estimated loss rate and key assumptions, the actuarial experts of the firm has estimated the final insurance claims as of December 31, 2022, while considering the paid claims by Taiwan Fire & Marine Insurance Co., Ltd. as of December 31, 2022, to assess the reasonableness of the claim reserves.
3. Take the samples from reported unpaid claims as the information about claim estimate, and check whether the reported unpaid claim reserves estimated in the samples were estimated based on said information about claim estimate.

Responsibilities of Management and Governance Unit in Financial Statement

Management is responsible for preparing an adequately expressed financial statement in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and international financial reporting standards, international accounting standards, interpretations, and interpretation announcements approved and released to take effect by the Financial Supervisory Commission and maintaining the necessary internal controls relevant to the compilation of the financial statement in order to ensure that no significant untruthful expressions exist in the financial statement due fraud or error.

While preparing the financial statement, the management is responsible for evaluating the ability of Taiwan Fire & Marine Insurance Co., Ltd. to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate Taiwan Fire & Marine Insurance Co., Ltd. or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

The governance unit (including the Audit Committee) of Taiwan Fire & Marine Insurance Co., Ltd. is responsible for supervising the financial reporting process.

CPAs Responsibilities in Auditing Financial Statements

We audit the financial statement in order to be reasonably convinced as to whether the financial statement as a whole contains major untruthful expressions due to frauds or errors and to issue the audit report. Reasonably convinced is highly convinced. There is no guarantee, however, that existence of significant untruthful expressions in the financial statement will be detected according to auditing standards. Untruthful expressions might have been caused by fraud or errors. If individual values or an overview of untruthful expressions can be reasonably

expected to affect economic decisions made by users of the financial statement, they are considered significant.

We apply our professional judgment and our professional doubts while audit according to auditing standards. The CPAs also perform the following tasks:

1. Identify and evaluate the risk of significant untruthful expressions in the financial statement due to frauds or errors, design and enforce appropriate responsive policies for determined risks; and collect sufficient and adequate evidence from the audit in order to render audit opinions. Because fraud may involve collusion, forging, intentional omission, untruthful statement, or non-compliance with internal control, the risk associated with undetected significant untruthful expressions caused by fraud is higher than that those caused by errors.
2. Obtain a necessary understanding of internal control concerning the audit in order to design appropriate audit procedures reflective of then-current situation. The purpose, however, is not to effectively express opinions on the internal control of Taiwan Fire & Marine Insurance Co., Ltd.
3. Evaluate the adequacy of accounting policies adopted by the management and the legitimacy of accounting estimates and related disclosures made.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operations used by management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of Taiwan Fire & Marine Insurance Co., Ltd. to continue with existing operations or that are not in accordance with the evidence obtained from the audit. In the event that it is determined that significant uncertainties exist with such events or conditions, on the other hand, the CPAs must remind users of the financial statement in their audit report that they should pay attention to related disclosures included in the statement or modify their audit opinions if such disclosures are inappropriate. Conclusions made by the CPAs are based on the evidence from the audit obtained as of the date of the audit report. Future events or conditions, however, are likely to result in the Taiwan Fire & Marine Insurance Co., Ltd. no longer capable of continuing with operation.
5. Evaluate the overall expression, structure, and contents of the financial statement(including related notes) and whether or not the financial statement has fairly expressed related transactions and events.

Communications made by the CPAs with governance units include the planned scope and timing of the audit and significant audit findings (including significant deficiencies found with internal controls during the audit).

The CPAs have also provided the governance units with the declaration on independence that independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have communicated with the governance units all relationships and other matters considered to be likely to undermine the independence of CPAs (including related safeguard measures).

The CPAs, from the matters communicated with the governance unit, decided key matters to be included in the 2022 financial statement audit of Taiwan Fire & Marine Insurance Co., Ltd. The CPAs specifies such matters in the audit report unless it is disallowed by law to disclose to the public specific matters or under rare circumstances, the CPAs decide not to communicate specific matters in the audit report as it can be reasonably expected that negative impacts from such communication would be greater than the public interest that will be enhanced.

Deloitte & Touche

CPA: Wang-Sheng Lin

CPA: Wen-Ya Hsu

Financial Supervisory Commission Approval No.
Jin-Guan-Zheng-Shen-Zi No. 1060023872

Securities and Futures Commission Approval No.
Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 10, 2023

TAIWAN FIRE & MARINE INSURANCE CO., LTD.

BALANCE SHEET

December 31, 2022 and 2021

Unit: NT\$ Thousand

Code	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
11000	Cash and cash equivalents (Note 4, 6 and 26)	\$ 3,074,610	15	\$ 4,178,338	20
	Receivables (Note 4 and 7)				
12100	Notes receivable	121,749	1	98,510	1
12210	Premiums receivable	531,932	3	488,898	2
12500	Other receivables	102,761	-	81,393	-
12000	Total receivables	756,442	4	668,801	3
	INVESTMENTS				
14110	Financial assets at fair value through profit or loss (Note 4, 8 and 25)	2,493,173	12	2,181,023	11
14145	Financial assets carried at amortized cost (Note 4, 10, 11 and 25)	884,773	4	-	-
14150	Investment under equity method (Note 4 and 12)	182,648	1	264,896	1
14180	Other financial assets - net (Note 13)	2,656,561	13	2,381,261	12
14190	Financial assets at fair value through other comprehensive income (Note 4, 9, 11 and 25)	5,183,150	25	5,462,283	26
14200	Investment Properties (Note 4 and 14)	2,234,868	10	2,144,347	10
14000	Total investments	13,635,173	65	12,433,810	60
	Reinsurance contract asset (Note 4, 19, 27 and 28)				
15100	Claim recoverable from reinsurers - net	84,280	-	24,507	-
15200	Due from reinsurers and ceding companies	163,022	1	153,771	1
15300	Reinsurance reserve asset - net	2,015,234	10	1,882,073	9
15000	Total reinsurance contract asset	2,262,536	11	2,060,351	10
16000	Property and Equipment (Note 4 and 15)	375,278	2	468,963	3
16700	Right-of-use assets (Note 4, 16 and 26)	40,051	-	42,588	-
17100	INTANGIBLE ASSETS (Note 4)	14,864	-	12,073	-
17800	DEFERRED INCOME TAX ASSETS (Note 4 and 22)	19,771	-	42,781	-
	Other assets				
18300	Refundable deposit (Note 17)	670,844	3	683,645	4
18700	Other assets - others	41,621	-	51,625	-
18000	Total other assets	712,465	3	735,270	4
1XXXX	TOTAL	\$ 20,891,190	100	\$ 20,642,975	100
Code	LIABILITIES AND EQUITY				
	PAYABLES				
21400	Commissions payable	\$ 152,992	1	\$ 179,425	1
21500	Due to reinsurers and ceding companies	442,452	2	385,251	2
21600	Other payable	458,918	2	337,931	2
21000	Total payables	1,054,362	5	902,607	5
21700	Current tax liabilities (Note 4 and 22)	133,525	1	31,147	-
23800	Lease liabilities (Note 4 and 16)	51,666	-	61,741	-
	Insurance liabilities (Note 4, 19, 27, 28 and 29)				
24100	Unearned premium reserves	3,832,973	18	3,706,888	18
24200	Claim reserves	3,443,382	17	3,179,573	15
24400	Special reserves	1,998,464	10	2,147,511	11
24500	Premium deficiency reserves	7,065	-	13,896	-
24000	Total insurance liabilities	9,281,884	45	9,047,868	44
27000	Reserve for liabilities (Note 4 and 18)	66,079	-	83,267	1
28000	DEFERRED INCOME TAX LIABILITIES (Note 4 and 22)	276,685	1	264,150	1
	Other liabilities				
25300	Guarantee deposits received (Note 26)	33,376	-	31,843	-
25900	Other liabilities - others	47,895	-	39,061	-
25000	Total other liabilities	81,271	-	70,904	-
2XXXX	Total liabilities	10,945,472	52	10,461,684	51
	Equity (Note 4 and 20)				
31100	Common stock	3,622,004	17	3,622,004	18
	Capital surplus				
32100	Issuance of common shares in excess of par	1,915	-	1,915	-
32200	Treasury stock transactions	97,047	1	97,047	-
32000	Total capital surplus	98,962	1	98,962	-
	Retained earnings				
33100	Legal reserve	2,632,619	12	2,524,209	12
33200	Special reserve	3,055,579	15	2,809,168	13
33300	Unappropriated earnings	788,424	4	556,232	3
33000	Total retained earnings	6,476,622	31	5,889,609	28
34000	Other equity	(251,870)	(1)	570,716	3
3XXXX	Total equity	9,945,718	48	10,181,291	49
	TOTAL	\$ 20,891,190	100	\$ 20,642,975	100

Subsequent notes are incorporated as part of this individual financial statement.

Chairman: Steve Lee

Managers: Chao-Feng Chen

Chief of accountant: Pi-Chen Wang

TAIWAN FIRE & MARINE INSURANCE CO., LTD.

STATEMENT OF COMPREHENSIVE INCOME

From January 1 to December 31 of 2022 and 2021

Unit: NT\$ Thousand, but EPS is NT\$

Code		2022		2021		
		Amount	%	Amount	%	%
	Operating Revenues					
	Retained earned premium					
41110	Direct insurance premium revenues (Note 4, 26 and 27)	\$ 7,366,218	122	\$ 8,699,901	116	(15)
41120	Reinsurance premium revenues (Note 4)	<u>478,418</u>	<u>8</u>	<u>459,096</u>	<u>6</u>	4
41100	Premium revenues	7,844,636	130	9,158,997	122	(14)
51100	Less: Reinsurance premium outward (Note 4)	2,412,523	40	2,123,854	29	14
51310	Less: Net change in unearned premium reserves (Note 4, 19 and 27)	<u>56,420</u>	<u>1</u>	<u>238,350</u>	<u>3</u>	(76)
41130	Total retained earned premium	5,375,693	89	6,796,793	90	(21)
41300	Reinsurance commission earned (Note 27)	257,468	4	230,317	3	12
41400	Handing fee earned (Note 27)	62,679	1	62,088	1	1
	Net gains on investments					
41510	Interest income	139,949	2	107,495	2	30
41521	Gain (loss) on financial assets and liabilities at fair value through profit or loss (Note 21)	(168,827)	(3)	75,409	1	(324)
41527	Realized gain and losses on financial assets at fair value through other comprehensive income (Note 21)	202,374	4	145,211	2	39
41540	Share of profit of associates and joint ventures accounted for using equity method (Note 12)	(40,668)	(1)	25,718	-	(258)
41550	Exchange gain (loss) - investment (Note 21)	117,100	2	(17,216)	-	780
41570	Gain (loss) on investment properties (Note 4, 21 and 26)	98,102	2	80,938	1	21
41585	Expected credit impairment losses and reversal of gains of investments (Note 4 and 21)	(456)	-	105	-	(534)
41800	Other operating revenues	<u>12,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
41000	Total operating revenues	<u>6,056,243</u>	<u>100</u>	<u>7,506,858</u>	<u>100</u>	(19)

(To be continued)

(Continued)

Code		2022		2021		
		Amount	%	Amount	%	%
	Operating Costs					
	Retained claims					
51200	Claims incurred (Note 4, 26 and 27)	\$ 3,521,712	58	\$ 4,865,594	65	(28)
41200	Less: Claims recovered from reinsurers	<u>692,949</u>	<u>11</u>	<u>667,067</u>	<u>9</u>	4
51260	Total retained claims	<u>2,828,763</u>	<u>47</u>	<u>4,198,527</u>	<u>56</u>	(33)
	Net change in insurance liability (Note 4, 19 and 27)					
51320	Net change in claims reserves	200,525	3	151,237	2	33
51340	Net change in special reserves	(149,047)	(2)	28,812	-	(617)
51350	Net change in premium deficiency reserves	(<u>6,831</u>)	<u>-</u>	<u>6,308</u>	<u>-</u>	(208)
51300	Total net change in insurance liability	<u>44,647</u>	<u>1</u>	<u>186,357</u>	<u>2</u>	(76)
51500	Commission expenditure (Note 26)	941,149	15	1,343,784	18	(30)
51800	Other operating cost	<u>40,776</u>	<u>1</u>	<u>52,955</u>	<u>1</u>	(23)
51000	Total operating costs	<u>3,855,335</u>	<u>64</u>	<u>5,781,623</u>	<u>77</u>	(33)
	Operating Expenses (Note 4, 18, 21 and 26)					
58100	Service Expenses	906,921	15	888,637	12	2
58200	Administrative Expenses	459,628	7	391,582	5	17
58300	Employee training expenses	3,875	-	3,710	-	4
58400	Impairment loss and reversal gain on expected credit - non-investment	(<u>20,183</u>)	<u>-</u>	<u>34,009</u>	<u>1</u>	(159)
58000	Total operating expenses	<u>1,350,241</u>	<u>22</u>	<u>1,317,938</u>	<u>18</u>	2
61000	Operating Income	850,667	14	407,297	5	109
59000	Non-Operating Income and Expenses	(<u>244</u>)	<u>-</u>	(<u>3,856</u>)	<u>-</u>	(94)
62000	Profit Before Income Tax from Continuing Operation	850,423	14	403,441	5	111
63000	Tax Expense (Note 4 and 22)	<u>178,462</u>	<u>3</u>	<u>30,233</u>	<u>-</u>	490
66000	Net Profit for the Period	<u>671,961</u>	<u>11</u>	<u>373,208</u>	<u>5</u>	80

(To be continued)

(Continued)

Code		2022		2021		
		Amount	%	Amount	%	%
	Other Comprehensive Income					
	Items that will not be reclassified subsequently to profit or loss					
83110	Remeasurement of defined benefit plans	\$ 16,335	1	(\$ 3,145)	-	619
83180	Less: Income tax relating to items that will not be reclassified subsequently to profit or loss	3,267	-	(629)	-	619
83190	Equity instruments valuation profit or loss measured at fair value through other comprehensive income	(530,261)	(9)	668,937	9	(179)
	Items that may be reclassified subsequently to profit or loss					
83290	Debt instrument profit or loss measured at fair value through other comprehensive income	(118,690)	(2)	(38,474)	(1)	208
83000	Total other comprehensive income, net of income tax	(635,883)	(10)	627,947	8	(201)
85000	Total Comprehensive Income in the Period	<u>\$ 36,078</u>	<u>1</u>	<u>\$ 1,001,155</u>	<u>13</u>	(96)
	Earnings Per Share (EPS) (Note 23)					
97500	Basic EPS	<u>\$ 1.86</u>		<u>\$ 1.03</u>		
98500	Diluted EPS	<u>\$ 1.85</u>		<u>\$ 1.03</u>		

Subsequent notes are incorporated as part of this individual financial statement.

Chairman: Steve Lee

Managers: Chao-Feng Chen

Chief of accountant: Pi-Chen Wang

TAIWAN FIRE & MARINE INSURANCE CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
From January 1 to December 31 of 2022 and 2021

Unit: NT\$ Thousand

Code		Retained earnings				Other equity (Note 20)		Total Stockholders' Equity
		Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized Gain and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
A1	Balance at January 1, 2021	\$ 3,622,004	\$ 98,962	\$ 2,381,521	\$ 2,571,709	\$ 797,593	\$ 108,744	\$ 9,580,533
	Appropriation of 2020 earnings							
B1	Appropriation of Legal reserve	-	-	142,688	-	(142,688)	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(398,421)	-	(398,421)
B3	Appropriation of special reserves	-	-	-	237,459	(237,459)	-	-
D1	Net profit for 2021	-	-	-	-	373,208	-	373,208
D3	Other comprehensive loss for 2021	-	-	-	-	(2,516)	630,463	627,947
D5	Total comprehensive income for 2021	-	-	-	-	370,692	630,463	1,001,155
Q1	Disposal of equity instruments measured at fair value through other comprehensive gains and losses/Disposal of equity instruments measured at fair value through other comprehensive gains and losses by associates	-	-	-	-	166,515	(168,491)	(1,976)
Z1	Balance at December 31, 2021	3,622,004	98,962	2,524,209	2,809,168	556,232	570,716	10,181,291
	Appropriation of 2021 earnings							
B1	Appropriation of Legal reserve	-	-	108,410	-	(108,410)	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(271,651)	-	(271,651)
B3	Appropriation of special reserves	-	-	-	246,411	(246,411)	-	-
D1	Net profit for 2022	-	-	-	-	671,961	-	671,961
D3	Other comprehensive loss for 2022	-	-	-	-	13,068	(648,951)	(635,883)
D5	Total comprehensive income for 2022	-	-	-	-	685,029	(648,951)	36,078
Q1	Disposal of equity instruments measured at fair value through other comprehensive gains and losses/Disposal of equity instruments measured at fair value through other comprehensive gains and losses by associates	-	-	-	-	173,635	(173,635)	-
Z1	Balance at December 31, 2022	\$ 3,622,004	\$ 98,962	\$ 2,632,619	\$ 3,055,579	\$ 788,424	(\$ 251,870)	\$ 9,945,718

Chairman: Steve Lee
Managers: Chao-Feng Chen

Subsequent notes are incorporated as part of this individual financial statement.

Chief of accountant: Pi-Chen Wang

TAIWAN FIRE & MARINE INSURANCE CO., LTD.

STATEMENTS OF CASH FLOWS

From January 1 to December 31 of 2022 and 2021

Unit: NT\$ Thousand

Code		2022	2021
	Cash Flows from Operating Activities		
A00010	Net income before income tax from continuing operation	\$ 850,423	\$ 403,441
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	59,137	58,968
A20200	Amortization expenses	6,992	5,543
A21300	Dividends income	(210,816)	(151,752)
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	177,269	(67,060)
A20450	Net gain on financial assets and liabilities at fair value through other comprehensive income	-	(1,808)
A20900	Interest expense	1,376	1,621
A21200	Interest income	(139,949)	(107,495)
A21400	Net changes in insurance liabilities	101,067	424,707
A21830	Expected credit impairment losses (reversals) on investment	456	(105)
A21850	Expected credit (reversals) impairment losses on non-investments	(20,183)	34,009
A22300	Share of loss (gain) on associates and joint ventures recognized using equity method	40,668	(25,718)
A22500	Gain from disposal and scrapping of property and equipment	(1,175)	-
A22700	Gain on disposal of investment properties	-	(3,688)
A23800	Impairment reversed benefits of reinsurance financial assets	(212)	(71)
A24100	Unrealized net (gain) loss on foreign currency exchange	(120,741)	12,378
A29900	Lease Modification Gains	(124)	(7)
A29900	Other non-operating income	(37)	(49)
A50000	Changes in Operating Assets and Liabilities		
A51110	Notes receivable increase	(23,473)	(2,426)
A51120	Premiums receivable increase	(27,662)	(37,064)
A51130	Other accounts receivable decrease	1,839	7,046

(To be continued)

(Continued)

Code		2022	2021
A51140	Increase in financial assets at fair value through profit or loss	(\$ 466,507)	(\$ 175,879)
A51141	Increase of financial assets at fair value through other comprehensive income	(258,270)	(167,926)
A51145	Increase in investment in bond instruments carried at amortized cost	(875,952)	-
A51160	Increase (decrease) in other financial assets	(274,700)	588,646
A51170	Decrease(increase) in reinsurance contract asset	(62,170)	18,898
A51990	Decrease (increase) in other assets	10,004	(13,294)
A52140	Increase (decrease) in commissions payable	(26,676)	40,164
A52150	Increase in due to reinsurers and ceding companies	57,201	16,256
A52160	Increase (decrease) in Other Payables	120,987	(148,289)
A52200	Decrease in employees' benefit liability	(853)	(2,256)
A52990	Increase (Decrease) in Other Liabilities	<u>8,834</u>	(<u>3,964</u>)
A33000	Cash inflow (outflow) from operations	(1,073,247)	702,826
A33100	Interest received	116,866	101,405
A33200	Dividends received	227,829	154,439
A33500	Income tax paid	(<u>43,806</u>)	(<u>47,855</u>)
AAAA	Net cash inflow (outflow) from operating activities	(<u>772,358</u>)	<u>910,815</u>
Cash Flows from Investing Activities			
B02400	Stock payment refunded upon capital reduction of the investee under equity method	24,750	-
B02700	Payments for property and equipment	(28,585)	(19,412)
B02800	Disposal of property and equipment	1,175	-
B03700	Increase in refundable deposits	(12,668)	-
B03800	Decrease in refundable deposits	-	25,715
B04500	Payments for intangible assets	(9,783)	(7,659)
B05400	Payments for investment properties	(2,898)	(1,697)
B05500	Proceeds from disposal of investment properties	<u>-</u>	<u>21,297</u>
BBBB	Net cash inflows (outflows) generated from investing activities	(<u>28,009</u>)	<u>18,244</u>
Cash Flows from Financing Activities			
C03000	Increase in guarantee deposits received	1,533	-
C03100	Decrease in guarantee deposits received	-	(3,056)
C04020	Repayment of the principal of the lease liabilities	(33,243)	(33,774)
C04500	Distribute cash dividends	(<u>271,651</u>)	(<u>398,421</u>)
CCCC	Net cash outflow used in financing activities	(<u>303,361</u>)	(<u>435,251</u>)

(To be continued)

(Continued)

<u>Code</u>		<u>2022</u>	<u>2021</u>
EEEE	Increase (decrease) in Current Cash and Cash Equivalents	(\$ 1,103,728)	\$ 493,808
E00100	Cash and Cash Equivalents at the Beginning of the Period	<u>4,178,338</u>	<u>3,684,530</u>
E00200	Cash and Cash Equivalents at the End of the Period	<u>\$ 3,074,610</u>	<u>\$ 4,178,338</u>

Subsequent notes are incorporated as part of this individual financial statement.

Chairman: Steve Lee

Managers: Chao-Feng Chen

Chief of accountant: Pi-Chen Wang

Annex V

Taiwan Fire & Marine Insurance Co., Ltd. 2022 Earnings Distribution Proposal

Unit: NT\$ Thousand

Item	Subtotal	Amount
Unappropriated retained earnings, beginning		176,169
Add: Current net profit after tax	671,961	
Add: Remeasurement of defined benefit plans recognized as retained earnings	13,068	
Add: The accumulated gains or losses from disposal of equity instruments at fair value through other comprehensive income/disposal of equity instruments at fair value through other comprehensive income by affiliates are transferred to the retained earnings directly.	173,635	
The current net profit after tax plus any items other than the current net profit is stated into the current unappropriated earnings.		858,664
Less: Legal reserve		171,733
Less: Special reserve		248,525
Add: Reversal of special reserve – transformation plan		2,114
Current total distributable amount		616,689
Distributable items:		
Dividend to shareholders		362,201
Unappropriated retained earnings, ending		254,488

Note: 1. NT\$362,201 thousand was allocated from the total distributable amount to distribute the bonus to shareholders at NT\$1 per share. The 2022 earnings shall be distributed as the first priority.

2. The Company's distribution of dividends was based on the 362,200,400 outstanding shares in total.

Chairman: Steve Lee

President: Chao-Feng Chen

Chief Accountant: Pi-Chen Wang

Annex VI

Taiwan Fire & Marine Insurance Co., Ltd. Corporate Charter

Comparative Table for the Amendments

Provisions after amendment	Provisions in force	Descriptions
Article 15 Matters related to resolutions of general meetings are as follows: I. Enact and amend the Company's Corporate Charter; Appoint and dismiss directors (including independent directors); II. Financial statements prepared by the Board of Directors, and Audit Committee' audit report; III. Capital increases/decreases; IV. Distribution of earnings, dividends and bonuses. Other important motions to be resolved by a general meeting pursuant to laws.	Article 15 Matters related to resolutions of general meetings are as follows: I. Enact and amend the Company's Corporate Charter; Appoint and dismiss directors (including independent directors); II. Financial statements prepared by the Board of Directors, and Audit Committee' audit report; III. Capital increases/decreases; IV. Distribution of earnings, dividends and bonuses. provided that where the dividends and bonus to be distributed are allocated in cash, in whole or in part, it shall be resolved by a Board meeting pursuant to Paragraph 2 of Article 36 herein; Other important motions to be resolved by a general meeting pursuant to laws.	According to the FSC's order No. 1110442912 dated November 3, 2022, in order to stabilize and improve insurance industry financial structure and solvency, according to the Article 148-1 of Insurance Act, the dividend distribution plan shall be subject to the approval of a shareholders' meeting. The Article 240 – 5 of the Company Act shall not be applied. The provision in subparagraph 4 herein is deleted accordingly.
Article 36 Shall there be earnings after the annual financial statement finalized, the earnings shall offset the accumulated losses from the previous years, and pay all the taxes, and 20% of the balance, if any, shall be provided as the legal reserve, unless the legal reserve	Article 36 Shall there be earnings after the annual financial statement finalized, the earnings shall offset the accumulated losses from the previous years, and pay all the taxes, and 20% of the balance, if any, shall be provided as the legal reserve, unless the legal reserve	The reasons for amendments are the same as those referred to in the Explanation for Article 15. Paragraph 2 of this article is deleted accordingly.

Provisions after amendment	Provisions in force	Descriptions
reaches the total capital of the Company. When the special reserve is provided or reversed based on laws, the remaining amount, if any, may be combined with the balance of the undistributed earnings at the beginning of the year and the adjusted amount of the undistributed earnings of the year, for the purpose of the Board of Directors' proposal for the earnings distributions under the Company's dividend policy referred to in Article 37 hereof, which shall be submitted to a general meeting for resolution.	reaches the total capital of the Company. When the special reserve is provided or reversed based on laws, the remaining amount, if any, may be combined with the balance of the undistributed earnings at the beginning of the year and the adjusted amount of the undistributed earnings of the year, for the purpose of the Board of Directors' proposal for the earnings distributions under the Company's dividend policy referred to in Article 37 hereof, which shall be submitted to a general meeting for resolution. For the motion for distribution of earnings referred to in the preceding paragraph, the distributable dividends and bonuses, in whole or in part, are paid in cash after a resolution has been adopted by a majority votes at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to the general meeting.	
Article 40 The Corporate Charter established on May 2, 1947. The 1 st amendment dated August 23, 1949; The 2 nd amendment dated April 30, 1951; The 3 rd amendment dated March 26, 1958; The 4 th amendment dated March 5, 1959;	Article 40 The Corporate Charter established on May 2, 1947. The 1 st amendment dated August 23, 1949; The 2 nd amendment dated April 30, 1951; The 3 rd amendment dated March 26, 1958; The 4 th amendment dated March 5, 1959;	The date of amendments is adjusted herein.

Provisions after amendment	Provisions in force	Descriptions
The 5 th amendment dated September 30, 1959;	The 5 th amendment dated September 30, 1959;	
The 6 th amendment dated September 16, 1964;	The 6 th amendment dated September 16, 1964;	
The 7 th amendment dated October 8, 1965;	The 7 th amendment dated October 8, 1965;	
The 8 th amendment dated March 24, 1967;	The 8 th amendment dated March 24, 1967;	
The 9 th amendment dated August 25, 1972;	The 9 th amendment dated August 25, 1972;	
The 10 th amendment dated September 24, 1976;	The 10 th amendment dated September 24, 1976;	
The 11 th amendment dated September 16, 1977;	The 11 th amendment dated September 16, 1977;	
The 12 th amendment dated September 27, 1980;	The 12 th amendment dated September 27, 1980;	
The 13 th amendment dated January 21, 1985;	The 13 th amendment dated January 21, 1985;	
The 14 th amendment dated May 24, 1990;	The 14 th amendment dated May 24, 1990;	
The 15 th amendment dated February 27, 1992;	The 15 th amendment dated February 27, 1992;	
The 16 th amendment dated September 16, 1993;	The 16 th amendment dated September 16, 1993;	
The 17 th amendment dated August 12, 1994;	The 17 th amendment dated August 12, 1994;	
The 18 th amendment dated October 21, 1995;	The 18 th amendment dated October 21, 1995;	
The 19 th amendment dated December 12, 1997;	The 19 th amendment dated December 12, 1997;	
The 20 th amendment dated November 17, 1998;	The 20 th amendment dated November 17, 1998;	
The 21 st amendment dated May 12, 1999;	The 21 st amendment dated May 12, 1999;	
The 22 nd amendment dated June 28, 2000;	The 22 nd amendment dated June 28, 2000;	
The 23 rd amendment dated May 22, 2001;	The 23 rd amendment dated May 22, 2001;	
The 24 th amendment dated May 20, 2002;	The 24 th amendment dated May 20, 2002;	
The 25 th amendment dated June 11, 2004;	The 25 th amendment dated June 11, 2004;	

Provisions after amendment	Provisions in force	Descriptions
The 26 th amendment dated June 9, 2006;	The 26 th amendment dated June 9, 2006;	
The 27 th amendment dated June 15, 2007;	The 27 th amendment dated June 15, 2007;	
The 28 th amendment dated June 13, 2008;	The 28 th amendment dated June 13, 2008;	
The 29 th amendment dated June 19, 2009;	The 29 th amendment dated June 19, 2009;	
The 30 th amendment dated June 8, 2010;	The 30 th amendment dated June 8, 2010;	
The 31 st amendment dated June 15, 2012;	The 31 st amendment dated June 15, 2012;	
The 32 nd amendment dated June 21, 2013;	The 32 nd amendment dated June 21, 2013;	
The 33 rd amendment dated June 6, 2014;	The 33 rd amendment dated June 6, 2014;	
The 34 th amendment dated June 12, 2015;	The 34 th amendment dated June 12, 2015;	
The 35 th amendment dated June 14, 2016;	The 35 th amendment dated June 14, 2016;	
The 36 th amendment dated June 15, 2018;	The 36 th amendment dated June 15, 2018;	
The 37 th amendment dated June 14, 2019;	The 37 th amendment dated June 14, 2019;	
The 38 th amendment dated June 12, 2020;	The 38 th amendment dated June 12, 2020;	
The 39 th amendment dated August 20, 2021.	The 39 th amendment dated August 20, 2021.	
The 40 th amendment dated June 10, 2022.	The 40 th amendment dated June 10, 2022.	
The 41 st amendment dated June 16, 2023.		

Annex VII

Taiwan Fire & Marine Insurance Co., Ltd. Rules for Election of Directors Comparative Table for the Amendments

Provisions after amendment	Provisions in force	Explanation
Article 5 The election of the Company's directors shall be completed in accordance with the candidate nomination system and procedure prescribed under Article 192-1 of the Company Act. When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s). When the number of independent directors is lower than the requirement in Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election for independent director shall be held at the next shareholders' meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders' meeting to hold a by-election within 60 days	Article 5 The election of the Company's directors shall be completed in accordance with the candidate nomination system and procedure prescribed under Article 192-1 of the Company Act. When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s). When the number of independent directors is lower than the requirement in Paragraph 1 of Article 14-2 of the Securities and Exchange Act or Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election for independent director shall be held at the next shareholders' meeting. When all independent directors have been	Text amendment made to this article is in response to Article 5 of the "Reference Sample for XXX Co., Ltd. Procedures for Election of Directors" (hereinafter referred to as the "Reference Sample") amendedment promulgated by TWSE.

Provisions after amendment	Provisions in force	Explanation
from the date on which the fact occurred.	dismissed, the Company shall convene a special shareholders' meeting to hold a by-election within 60 days from the date on which the fact occurred.	
	Article 10 If a candidate is a shareholder, a voter must enter the candidate's name and shareholder account number in the "candidate" column of the ballot. In the case of a non-shareholder, the voter shall enter the candidate's full name and ID No.. However, when the candidate is a government or juristic person shareholder, the name of the government or juristic person shareholder and their representative shall be entered in the column. When there are multiple representatives, the name of each representative shall be entered.	The Company has adopted the candidate nomination system, and shareholders shall elect directors from the roster of director candidates. As the information about name, academic degree and work experience of each candidate may be accessed by shareholders from the roster prior to a shareholders' meeting, there is no need to use shareholders' account number or ID No. to identify a candidate, and this provision is deleted accordingly according to the Sample Template.
Article 10 A ballot paper is invalid under any of the following circumstances: 1. The ballot is not been prepared by a person with the power to convene a meeting. 2. Blank ballots are been casted into the ballot box. 3. Ballots have illegible writing or have been altered. 4. The candidate whose name is entered in the ballot does not conform to the name list of director candidates. 5. Other words are entered in	Article 11 A ballot paper is invalid under any of the following circumstances: 1. The ballot is not been prepared by the Board of Directors. 2. Blank ballots are been casted into the ballot box. 3. Ballots have illegible writing or have been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's name and shareholder account number do not match those	1. Article numbering amended accordingly. 2. According to Article 173 of the Company Act, under special circumstances (e.g. the board of directors fails to give notice for convening a meeting), shareholders may convene the meeting independently subject to approval of the competent authority. The subparagraph of this article is adjusted accordingly. Meanwhile, since the

Provisions after amendment	Provisions in force	Explanation
addition to the number of voting rights allotted.	given in the roster of shareholders, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and ID No. do not match. 5. Ballots that contain text or symbols in addition to the candidate's account name (name), shareholder account number (ID No.) and allocated votes. 6. The candidate's name entered in the ballot is identical with another shareholder's but no shareholder account number or ID No. is provided in the ballot to identify such individual. 7. Two or more candidates are specified on the same ballot.	Company has adopted the candidate nomination system and shareholders shall elect directors from the roster of director candidates, subparagraphs 4 and 5 of this provision are amended and subparagraphs 6 and 7 are deleted in accordance with Article 10 of the Reference Sample.
Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the	Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the	Article numbering amended accordingly.

Provisions after amendment	Provisions in force	Explanation
Company Act, the ballots shall be retained until the conclusion of the litigation.	Company Act, the ballots shall be retained until the conclusion of the litigation.	
Article 12 The Board of Directors of the Company shall issue notifications to the persons elected as directors.	Article 13 The Board of Directors of the Company shall issue notifications to the persons elected as directors.	Article numbering amended accordingly.
Article 13. The Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.	Article 14. The Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.	Article numbering amended accordingly.

Appendix I

Taiwan Fire & Marine Insurance Co., Ltd. Procedural Rules of General Meetings

- Article 1 To establish a strong governance system and sound supervisory capabilities for general meetings of the Company, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The procedural rules for general meetings of the Company, except as otherwise provided by law, regulation, or the Corporate Charter, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, general meetings of the Company shall be convened by the board of directors.
- Changes to how the Company convenes its general meetings shall be resolved by the Board of Directors, and shall be made no later than mailing of the general meeting notice.
- The Company shall prepare electronic copy of the general meeting notice, proxy forms, and the supplementary materials relating to proposals, discussions, election or dismissal of directors and upload them to the Market Observation Post System (MOPS) thirty (30) days before the date of annual general meeting or fifteen (15) days before the date of extraordinary general meeting. The Company shall prepare electronic copy of the general meeting handbook and upload them to the MOPS twenty-one (21) days before the date of the annual general meeting or fifteen (15) days before the date of the extraordinary general meeting. Furthermore, fifteen (15) days before the date of the general meeting, the Company shall have the general meeting handbook ready for shareholders' review at any time. The general meeting handbook should be ready at the location of the Company and the designated stock affairs agency.
- The Company shall make the meeting agenda and supplementary materials prescribed in the preceding paragraph available to shareholders for review in the following manner on the date of the general meeting:
- I. For physical general meeting: to be distributed on-site at the meeting.
 - II. For hybrid general meetings: to be distributed on-site at the meeting and shared on the virtual meeting platform in the electronic format.
 - III. For virtual general meeting: to be shared on the virtual meeting platform in the electronic format.
- The reasons for convening a general meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in the electronic format.
- Election or dismissal of directors, amendments of the Corporate Charter, reduction of capital, application for the approval of ceasing its status as a public company, non-compete waiver for the directors, capital increase out of retained earnings, convert capital reserves to capital stock, the dissolution, merger, or demerger of the Company, or any matter under Paragraph 1 of 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 an extemporary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the general meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motions or any other procedure in the same meeting.

Shareholder(s) holding 1% or more of the total number of outstanding shares of a company may propose to the Company a proposal for discussion at an annual general meeting, provided that only one matter shall be allowed in each single proposal, and 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 Article 172-1, paragraph 4 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, the shareholder is allowed to propose no more than one motion pursuant to Article 172-1 of the Company Act. Any additional proposal will not be included as a motion.

Prior to the book closure date before an annual general meeting 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; the period for submission of shareholder proposals may not be less than ten days.

Shareholder-submitted proposals are 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 and take part in discussion of the proposal.

The Company shall, prior to preparing and delivering the general meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the general meeting notice the proposals conforming to the requirements set out in this Article. At the general meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals from the agenda.

Article 4 For each general meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two (2) days before the meeting date. If the cancellation notice is submitted after due date, votes casted at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend a virtual general meeting, a written notice of proxy cancellation shall be submitted to the Company two (2) days before the meeting date. If the cancellation notice is submitted after due date, votes casted at the meeting by the proxy shall prevail.

- Article 5 (Principles determining the time and place of a general meeting)
- The venue for a general meeting shall be the premises of the Company, or a place easily accessible by the shareholders and suitable for a general meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- The restrictions on the place of the meeting referred to in the preceding paragraph shall not apply when the Company convenes a virtual general meeting.
- Article 6 (Preparation of documents such as the attendance book)
- The Company shall specify in its general meeting notices the time during which attendance registrations of shareholders, solicitors and proxies (hereinafter referred to as the “shareholders”) will be accepted, the place to register for attendance, and any other important matters.
- The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel should be assigned to handle the registrations. For virtual general meeting, shareholders may begin to register on the virtual meeting platform thirty (30) minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
- Shareholders shall attend general meeting based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add any other documentation beyond those showing attendance eligibility presented by the shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
- When the government or a juristic person is a shareholder, it may be represented by more than one representative at a general meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Where a general meeting is convened by means of virtual general meeting and any shareholder that intends to attend, the shareholder shall register with the Company within two (2) days prior to the general meeting.
- In the event of a virtual general meeting, the Company shall upload the general meeting handbook, annual report and other supplementary materials to the virtual meeting platform at least thirty (30) minutes before the meeting starts, and keep all information available until the end of the meeting.
- Article 6-1 (Convening virtual general meeting and particulars to be included in general meeting notice)
- To convene a virtual general meeting, the Company shall include the follow particulars in the general meeting notice:
- I. Steps to be taken for attending the meeting and for exercising their rights as a shareholder..

- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
- (I) The date and time the general meeting is postponed to or resumed at if the aforementioned obstruction continues.
 - (II) Shareholders that haven't registered to attend the affected virtual general meeting shall not attend the postponed or resumed session.
 - (III) In case of a hybrid general meeting, if the virtual platform not being able to continue and if the total number of shares represented at the physical meeting meets the minimum legal requirement for a general meeting, then the general meeting shall continue. The shares represented by shareholders attending the virtual meeting and the physical meeting shall be counted as the total number of shares present, and the shareholders attending the virtual meeting shall be deemed as abstaining from voting on all proposals of that general meeting..
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extempore motions has not been carried out.
- III. To convene a virtual general meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual general meetings shall be specified.

Article 7

If a general meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman. If there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the directors to act as Chairman. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as Chairman.

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

It is advisable that general meetings convened by the Board of Directors be chaired by the Chairman of Board in person and attended by a majority of the directors in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

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

Article 8

(Documentation of a shareholders meeting by audio or video)

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

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

Where a virtual general meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes casted and results of voting process, and the continuous audio and video recording of the virtual meeting.

The information and audio and video recording prescribed in the preceding paragraph shall be properly kept by the Company for the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual general meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

Attendance at general meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards, and the shares checked on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Chairman shall call the meeting to order at the appointed meeting time, and announce the number of shareholders without voting right and shares of represented by present shareholders at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-thirds of the total number of issued shares, the Chairman shall declare the meeting adjourned. In the event of a virtual general meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as prescribed in the preceding paragraph, but the attending shareholders represent one-thirds or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another general meeting shall be convened within one month. In the event of a virtual general meeting, shareholders intending to attend the virtual meeting shall re-register to the Company in accordance with Article 6.

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

Article 10

If a general 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 proposal in the agenda (including extempore motions and amendments to the original proposals 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 the general meeting.

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

The Chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the general meeting. If the Chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in

electing a new Chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11 (Shareholder speech)

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

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

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

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

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

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

With a virtual general meeting, the attending shareholders may raise questions in writing at the virtual meeting platform from the Chairman declaring the meeting convened until the Chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1~5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 Voting at a general meeting shall be calculated based the number of shares.

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

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

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

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

Article 13

Each of the Company's shareholders shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

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

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

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

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

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

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

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

When the Company holds a virtual general meeting, after the Chairman declares the meeting convenes, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the Chairman announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual general meeting, votes shall be counted at once after the Chairman announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid general meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical general meeting in person, they shall revoke their registration two (2) days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the general meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the virtual general meeting, except for extempore motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 The election of directors at a general meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the number of votes received and the list of directors losing in the election and the number of votes received.

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

Article 15 Resolutions adopted by a general meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the Company within twenty days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the date and place of the meeting, the Chairman'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.

Where a virtual general meeting is convened, in addition to the particulars to be included in the meeting minutes as prescribed in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the Chairman's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural

disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual general meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending the virtual general meeting.

Article 16 (Public disclosure)

On the day of a general meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual general meeting, the Company shall upload the aforementioned meeting materials to the virtual meeting platform at least thirty (30) minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual general meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a general meeting constitute material information under applicable laws or regulations and under TWSE's regulations, the Company shall upload the contents of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a general meeting shall wear identification cards or arm bands.

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

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

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

Article 18 When a meeting is in progress, the Chairman may announce a break based on time considerations. If a force majeure event occurs, the Chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual general meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual

meeting platform according to the regulations, and the timeframe of the disclosure shall be at least 15 minutes after the Chairman has announced the meeting adjourned.

Article 20 (Location of the Chairman and secretary of virtual general meeting)

When the Company convenes a virtual general meeting, both the Chairman and secretary shall be in the same location, and the Chairman shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

In the event of a virtual general meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual general meeting, when declaring the meeting convenes, the Chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. If the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the Chairman has announced the meeting adjourned, and the obstruction continues for more than thirty (30) minutes, the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as prescribed in the preceding paragraph, shareholders who have not registered to participate in the affected general meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected general meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, the shares of the affected general meeting shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a general meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been casted and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a virtual general meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual general meeting, still meets the minimum legal requirement for a general meeting, then the general meeting shall continue disregard Paragraph 2.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original general meeting in accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under the latter part of Article 12, and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under Paragraph 2.

Article 22 (Handling of digital divide)

When convening a virtual general meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual general meeting.

Article 23 These Rules shall take effect after having been submitted to and approved by a general meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix II

Taiwan Fire & Marine Insurance Co., Ltd. Corporate Charter

Chapter I General Rules

- Article 1 The Company was organized in accordance with the regulations governing companies limited by shares in the Company Act and was named Taiwan Fire & Marine Insurance Co., Ltd. (Chinese name: 臺灣產物保險股份有限公司)
- Article 2 The Company aims to underwrite property insurance, striving to stimulate economy and develop social welfare benefits.
- Article 3 The Company's head office is situated in Taipei City. The Company may establish domestic or overseas branches/offices pursuant to laws to develop the Company's business, where necessary.
- Article 4 The Company's announcements shall be made in accordance with Article 28 of the Company Act.

Chapter II Shares

- Article 5 The Company's authorized capital amounts to NT\$6 billion, divided into 600 million shares at NT\$10 per share, and issued in batch. The issuance quota and rules governing the subscription for unissued shares shall be resolved by the Board of Directors. The issue price per share shall be set by the Board of Directors pursuant to the Company Act or securities-related laws.
- Article 6 The Company issues its shares to registered shareholders only. Share certificates are issued with the signatures or authorized signatory stamp of the directors representing the Company, and subject to duly certified or authenticated by the bank competent to certify shares under the laws before issuance thereof.
- The Company may issue shares exempted from printing paper stock certificates, but shall register the shares with the centralized securities depository and clearing institution.
- Article 7 The shareholders shall complete and deliver their authorized signatory stamp to the Company. The shareholders' receipt of stock dividends, exercise of shareholders' right in writing, or communications with the Company in writing shall be subject to the specific authorized signatory stamp, unless otherwise stipulated in laws or the Company's Corporate Charter.
- Article 8 The registration of share transfer shall be suspended within sixty days prior to the date of annual general meeting, or within thirty days prior to the date of an extraordinary general meeting, or within five days prior to the record date set by the Company for distribution of dividends, bonus or other profit.
- Article 9 The Company's shareholders service affairs shall be processed according to the "Regulations Governing the Administration of Shareholder Services of Public stock Companies" promulgated by the competent authority, related laws and regulations.

Chapter III Business

Article 10 The Company's business line is stated as following: H501021 Property insurance.

Chapter IV General Meetings

Article 11 The Company's shareholders consist of the annual general meetings and extraordinary general meetings. The annual general meeting is convened once a year within six months after the end of each fiscal year. An extraordinary general meeting may be held pursuant, if needed.

Article 11-1 A general meeting can be held by means of virtual meeting or other methods promulgated by Ministry of Economic Affairs.

Article 12 Annual general meeting shall be notified thirty days prior to the meeting, and within fifteen days for extraordinary general meeting, with the meeting notice specifying the date, venue, and causes of such meeting sent to each shareholder.

Article 13 Any shareholder who is unable to attend a general meeting in person may issue a power of attorney in the format printed by the Company indicating the scope of power, and shall deliver the power of attorney to the Company within five days before the date of the general meeting, in order to appoint a proxy to attend the meeting on behalf of him/her. The rules governing attendance by proxy shall follow Article 177 of the Company Act, and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority, and related laws & regulations.

Article 14 If a general meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. When the Chairman is unable to attend the meeting, the Vice Chairman shall act in place of the Chairman. If the Vice Chairman is also unable to attend the meeting, the Chairman shall appoint one of the directors to act as Chairman. Where the Chairman does not make such a designation, the directors shall select among themselves one person to serve as Chairman. If the general meeting is convened by a party with power to convene, other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a Chairman among themselves.

During a general meeting, if the Chairman declares the adjournment of the meeting in a manner in violation of the Company's Procedural Rules for General Meetings, a new Chairman of the meeting may be elected by a resolution and adopted by a majority of the shareholders present to continue the meeting.

Article 15 Matters related to resolutions of general meetings are as follows:

- I. Enact and amend the Company's Corporate Charter; appoint and dismiss directors (including independent directors);
- II. Financial statements prepared by the Board of Directors, and Audit Committee' audit report;
- III. Capital increases/decreases;
- IV. Distribution of earnings, dividends and bonuses, provided that where the dividends and bonus to be distributed are allocated in cash, in whole or in part, it shall be resolved by a Board meeting pursuant to Paragraph 2 of Article 36 herein;

Other important motions to be resolved by a general meeting pursuant to laws.

- Article 16 Resolutions at a general meeting shall, unless otherwise regulated in relevant laws, only be adopted by a majority of voting rights of the shareholders present, who represent more than half of the total outstanding shares.
- When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a general meeting within one month.
- In the meeting of shareholders described in the preceding paragraph, if the tentative resolution is again adopted by a majority of attending shareholders who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under Paragraph 1.
- Article 17 The Company's shareholders are entitled to one vote per share, unless otherwise provided in laws.
- Article 18 Resolutions adopted at a general meeting shall be recorded in the minutes of the meeting, affixed with the signature or seal of the Chairman of the meeting and distributed to all shareholders of the company within twenty days after the close of the meeting.
- The preparation and distribution of the minutes of general meeting as required in the preceding Paragraph may be effected by means of electronic transmission.
- Distribution of the meeting minutes referred to in Paragraph 1 may be done by public notice.
- The minutes of general meeting shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.
- The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of one year.

Chapter V Board of Directors

- Article 19 The Company shall have 9–12 directors to form the Board of Directors. The election of directors adopts the candidates nomination system referred to in Article 192-1 of the Company Act. The acceptance and publication of nomination of candidates for directors shall be governed by the Company Act and Securities and Exchange Act. The election of directors shall be completed in accordance with Article 198 of the Company Act. The directors shall serve a three-year term of office and eligible for reelection. Notwithstanding, the elected director who is a government or juristic person, or the representative thereof, may be reappointed from time to time subject to their job duties. When the number of vacancies in the Board of Directors equals to one-thirds of the total number of directors, the Board of Directors shall convene a special meeting within sixty days to elect succeeding directors to fill the vacancies. The reappointed or reelected directors shall serve the remaining term of office.
- The total number of shares held by all directors referred to in the preceding paragraph shall satisfy the related laws and regulations.
- The Board of Directors is authorized to determine the level of remuneration to Chairman, Vice Chairman and directors (including Independent Directors) based on their engagement in and contribution to the Company's operations, and in reference to peer companies' pay.

The Company may take out directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 19-1 Of all directors referred to in the preceding Article, there shall be at least three independent directors who shall be no less than one-fifths of all directors.

The election of independent directors and the other directors shall be consolidated, provided that the quota of the elected shall be counted separately. Candidates to whom the ballots are cast represent a prevailing number of votes shall be deemed independent directors and the other directors elected.

The professional qualification, shareholdings, restrictions on concurrent positions, determination of independence, method of nomination and election, and other requirements to be met, shall comply with the related requirements posed by the competent authority and relevant written interpretations.

None of the independent directors and the directors may exchange their position during their terms of office.

Article 20 A Board meeting shall be attended by more than two-thirds of the directors, and the Board of Directors shall elect a Chairman of Board from among the directors by a majority vote at the meeting, and may also elect in the same manner a Vice Chairman of Board. The Chairman shall chair general meetings and Board meetings internally, and act on behalf of the Company externally. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as Chairman.

Article 21 The authorities of the Board of Directors are as follows:

- I. Review and approval of important rules and regulations.
- II. Approval of business plans.
- III. Establish proposals for capital increases/decreases.
- IV. Approval of addition, relocation or abolishment of all business locations engaged in developing the Company's business, such as branches and overseas offices, or changes in the names, subordination or responsible persons thereof.
- V. Approval of major contracts.
- VI. Approval of budget and final accounts.
- VII. Approval of disposal of the Company's substantial assets.
- VIII. Approval of investment in other companies.
- IX. Draft of the motion for distribution of earnings.
- X. Review on audit report.
- XI. Authorization of important businesses.
- XII. Decision of appointment, dismissal, remuneration and job duty of the president, vice president and other managerial officers or equivalents.
- XIII. Other job duties granted by laws and a general meeting.

The Board of Directors' exercise of job duty pursuant to subparagraph 8 of the preceding paragraph may be exempted from the restrictions posed in Paragraph 1 of Article 13 of the Company Act, which provides that the Company's total investment in other companies shall be no more than 40% of the Company's paid-in capital.

- Article 21-1 If an independent director objects to or expresses reservations about any matter to be reported to a Board meeting pursuant to Article 14-3 of the Securities and Exchange Act, it shall be recorded in the minutes of the Board meeting. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.
- Article 22 The Board of Directors shall establish related units in accordance with the “Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises” and related laws & regulations, and appoint/dismiss the staff thereof.
- Article 23 The Board of Directors shall meet at least quarterly. Where the Chairman deems it necessary, or in the case of any emergency, the Chairman may convene a special meeting. The notice for convening a Board meeting may be served in writing or by electronic means.
- Article 24 Where any director fails to attend a Board meeting in person with causes, he/she may appoint another director as his/her proxy to attend the meeting on behalf of him/her by issuing a power of attorney specifying the scope of authority with reference to the subjects to be discussed at the meeting,
A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.
If a Board meeting is convened by way video conference, those who participate in the meeting using video conferencing are considered to have attended the meeting in person.
- Article 25 Unless otherwise provided for in the Company Act and other related laws, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.
- Article 26 Board meeting resolutions shall be compiled into detailed minutes, signed or sealed by the Chairman and record taker, and disseminated to each shareholder within twenty days after the meeting. The minutes shall be included into the Company’s important files and retained for the duration of the existence of the Company.
The preparation and distribution of the minutes of general meeting as required in the preceding paragraph may be effected by means of electronic transmission.
- Article 27 When convening a meeting, the Board of Directors shall notify each director and may ask the president, vice president or related personnel to attend the meeting. Except directors, the other attendees shall have no voting right.

Chapter VI Audit Committee and Other Functional Committees

- Article 28 The Audit Committee shall be composed of the entire number of Independent Directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.
- Article 29 The Company may establish the other functional committees pursuant to laws.
- Article 30 The exercise of powers and other requirements to be met by the Audit Committee and the other functional committees shall be governed by related laws and the Company’s regulations.
- Article 31 The committees referred to in the preceding Article shall set forth their own articles of association to govern the number of personnel, term of office and job duty, which shall be implemented upon resolution by the Board of Directors.

Chapter VII Managers

Article 32 The Company shall have one president in charge of the motions resolved by the Board of Directors. Appointment and dismissal thereof shall be proposed by the Chairman of Board to the Board of Directors, and adopted upon resolution adopted by a majority of the directors.

The Company shall also elect several seats of vice president and managers to assist the president to conduct businesses. Appointment and dismissal thereof shall be proposed by the president to the Board of Directors, and adopted upon resolution adopted by a majority of the directors.

Remuneration to the Company's president, vice presidents and other managerial officers or equivalents shall be decided based on the Company's regulations governing authorization of salary and in reference to their contribution to the Company.

Article 33 If the President fails to perform his job duty with causes, the Chairman may appoint one among from the vice presidents to act on behalf of the President upon authorization of the Board of Directors.

Chapter VIII Accounting

Article 34 The Company's fiscal year shall commence from January 1 to December 31 of each year. The Company shall close accounts quarterly, namely in four periods, and complete the annual settlement at the end of each year.

Article 35 The Board of Directors shall prepare the following statements and reports at the end of each fiscal year. These statements and reports shall be submitted to annual general meeting for acknowledgment.

- I. Business report.
- II. Financial statements.
- III. The earning distribution or loss off-setting proposal.

Article 35-1

If the Company retains profit at the end of any fiscal year, it shall contribute 1%–5% of the same as the remuneration to employees, and no more than 5% to the directors. No independent directors are allowed to participate in the distribution of remuneration to directors. Notwithstanding, when the Company still has accumulated losses, an amount equivalent to said losses shall be reserved to make up for the loss in advance.

The Company may, by a resolution adopted by a majority vote at a Board meeting attended by two-thirds of the all directors, distribute the remuneration to employees in the form of shares or in cash, and in addition thereto a report of such distribution shall be submitted to the general meeting.

The Company may, by a resolution adopted by a majority vote at a Board meeting attended by two-thirds of the directors with respect to the motion proposed by the Remuneration Committee, authorize the Board of Directors to distribute the remuneration to directors in cash, within the prescribed limit.

Article 36 Shall there be earnings after the annual financial statement finalized, the earnings shall offset the accumulated losses from the previous years, and pay all the taxes, and 20% of the balance, if any, shall be provided as the legal reserve, unless the legal reserve reaches the total capital of the Company. When the special reserve is provided or reversed based on laws, the remaining amount, if any, may be combined with the balance of the undistributed earnings at the beginning of the year and the

adjusted amount of the undistributed earnings of the year, for the purpose of the Board of Directors' proposal for the earnings distributions under the Company's dividend policy referred to in Article 37 hereof, which shall be submitted to a general meeting for resolution.

For the motion for distribution of earnings referred to in the preceding paragraph, the distributable dividends and bonuses, in whole or in part, are paid in cash after a resolution has been adopted by a majority votes at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to the general meeting.

- Article 37 The Company is an insurance enterprise. As the competition has been intensifying since the opening of the insurance market, by taking into account of the ability of covering of the Company, enhancement of solvency, future needs of funds, and the long-term financial plans, as well as to properly meet the shareholders' demand for cash inflows, the Board of Directors takes stable and balanced dividend policy for the profit distribution proposal of the year, and adjust the percentage of the equity dividend and cash dividends upon its discretions. The cash dividends are no less than 10% of the total dividends; however, if the cash dividend per share is lower than NT\$0.1, it may be distributed in equity dividend.

Chapter IX Supplemental Provisions

- Article 38 The Board of Directors is authorized to set forth the Company's Memorandum and Articles of Association, table of hierarchical responsibility and other regulations separately.
- Article 39 Any matters not mentioned herein shall be governed by the Insurance Act, Company Act and other related laws.
- Article 40 The Corporate Charter was established on May 2, 1947.
The 1st amendment dated August 23, 1949;
The 2nd amendment dated April 30, 1951;
The 3rd amendment dated March 26, 1958;
The 4th amendment dated March 5, 1959;
The 5th amendment dated September 30, 1959;
The 6th amendment dated September 16, 1964;
The 7th amendment dated October 8, 1965;
The 8th amendment dated March 24, 1967;
The 9th amendment dated August 25, 1972;
The 10th amendment dated September 24, 1976;
The 11th amendment dated September 16, 1977;
The 12th amendment dated September 27, 1980;
The 13th amendment dated January 21, 1985;
The 14th amendment dated May 24, 1990;
The 15th amendment dated February 27, 1992;
The 16th amendment dated September 16, 1993;
The 17th amendment dated August 12, 1994;
The 18th amendment dated October 21, 1995;
The 19th amendment dated December 12, 1997;
The 20th amendment dated November 17, 1998;

The 21st amendment dated May 12, 1999;
The 22nd amendment dated June 28, 2000;
The 23rd amendment dated May 22, 2001;
The 24th amendment dated May 20, 2002;
The 25th amendment dated June 11, 2004;
The 26th amendment dated June 9, 2006;
The 27th amendment dated June 15, 2007;
The 28th amendment dated June 13, 2008;
The 29th amendment dated June 19, 2009;
The 30th amendment dated June 8, 2010;
The 31st amendment dated June 15, 2012;
The 32nd amendment dated June 21, 2013;
The 33rd amendment dated June 6, 2014;
The 34th amendment dated June 12, 2015;
The 35th amendment dated June 14, 2016;
The 36th amendment dated June 15, 2018;
The 37th amendment dated June 14, 2019;
The 38th amendment dated June 12, 2020;
The 39th amendment dated August 20, 2021.
The 40th amendment dated June 10, 2022.

Appendix III

Taiwan Fire & Marine Insurance Co., Ltd. Rules for Election of Directors

- Article 1.** To ensure a just, fair, and open election of directors, the Rules are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2.** Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of the Company's directors shall be conducted in accordance with the Rules.
- Article 3.** The overall composition of the Board of Directors shall be taken into consideration in the election of the Company's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:
1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The abilities that must be present in the Board as a whole are as follows:
1. Ability to make operational judgments.
 2. Ability to perform accounting and financial analysis.
 3. Ability to conduct management administration.
 4. Ability to conduct crisis management.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Ability to lead.
 8. Ability to make policy decisions.
- A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors.
- The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.
- Article 4.** The qualifications for the independent directors of the Company shall comply with the "Securities and Exchange Act," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
- Article 5.** The election of the Company's directors shall be completed in accordance with the candidate nomination system and procedure prescribed under Article 192-1 of the Company Act.
- When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the

total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

When the number of independent directors is lower than the requirement in Paragraph 1 of Article 14-2 of the Securities and Exchange Act or Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election for independent director shall be held at the next shareholders' meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders' meeting to hold a by-election within 60 days from the date on which the fact occurred.

Article 6. The cumulative voting method shall be used for election of the Company's directors. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8. The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9. Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10. If a candidate is a shareholder, a voter must enter the candidate's name and shareholder account number in the "candidate" column of the ballot. In the case of a non-shareholder, the voter shall enter the candidate's full name and ID No. However, when the candidate is a government or juristic person shareholder, the name of the government or juristic person shareholder and their representative shall be entered in the column. When there are multiple representatives, the name of each representative shall be entered.

Article 11. A ballot paper is invalid under any of the following circumstances:

1. The ballot is not been prepared by the Board of Directors.
2. Blank ballots have been casted into the ballot box.
3. Ballots have illegible writing or have been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's name and shareholder account number do not match those given in the roster of shareholders, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and ID No. do not match.

5. Ballots that contain text or symbols in addition to the candidate's account name (name), shareholder account number (ID No.) and votes allocated.
6. The candidate's name entered in the ballot is identical with another shareholder's but no shareholder account number or ID No. is provided in the ballot to identify such individual.
7. Two or more candidates are specified on the same ballot.

Article 12. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site.

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

Article 13. The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 14. The Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix IV

Taiwan Fire & Marine Insurance Co., Ltd. **Operating Procedures for Use of Funds in Special Projects, Public Utilities, and Social Welfare Enterprises**

- Article 1 The Company adopts the Procedures in accordance with the “Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises” amended by the FSC to process its use of funds in special projects and participation in investment in public utilities and social welfare enterprises in response to policies.
- Article 2 The use of funds in special projects referred to herein shall be restricted to investments or extension of loans for the following projects:
- I. Emerging and key strategic projects approved by the government.
 - II. Venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses or private equity funds that meet the criteria specified by the competent authority and support projects in government policies.
 - III. Industrial zone or regional development projects approved by the government.
 - IV. Purchase of houses by the houseless.
 - V. Cultural and educational conservation and construction.
 - VI. Funeral facilities not distributed as public utilities listed in Article 3.
 - VII. Other use in line with the government policies.
- Article 3 The use of funds for public utilities referred to herein shall be restricted to the following utilities investment projects:
- I. Transportation facilities of highways, railroads, harbors, parking lots and airports.
 - II. Facilities of public utilities, such as water, electricity, telecommunications, etc.
 - III. Construction of social housing and elderly residence projects.
 - IV. Environmental protection facilities, including river, sewerage, garbage and waste disposal, and funeral facilities, excluding cemeteries and columbarium.
 - V. Construction of public-welfare facilities for public recreation.
 - VI. Other public utilities as promoted by the government or in line with the government's construction projects.
- If the Company engages in public investment in accordance with Subparagraph 6 of the preceding paragraph, according to the regulations of the competent authority, if the insurer participates through investment equity and the investee company reassigned the investment in the form of residential real estate, the percentage of the insurer's capital contribution multiplied by the percentage of the parts of the real estate for residential use repaid by the investee company to the total area of the real estate project may not exceed 10%. In addition, the insurer may not acquire ownership of the residential property. This restriction does not apply if the residences are provided for lease only.

Article 4 The Company's investment in social welfare business is limited to the business for social welfare operation that is established in accordance with the authorization of the competent authorities and the necessary facilities, including social assistance, welfare services, employment, social insurance, and healthcare.

Article 5 The investment targets of the Company, either special projects, public utilities and social welfare enterprises, shall be profitable and restricted to such companies limited by shares that are incorporated and registered in accordance with the Company Act, with the exception of such development and construction projects, loans, and investments as are in line with the government policies or making contribution to long-term care institutions registered in accordance with relevant laws.

Where the Company use its funds to invest in a special project and public utilities, the invested entity meeting any of the following criteria may be a limited partnership enterprise registered in accordance with the Limited Partnership Act without being subject to the restriction of company limited by shares provided in the preceding paragraph:

- I. The invested entity is a venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses.
- II. The invested entity is the private equity fund listed in Subparagraph 2, Article 2.
- III. The invested entity is the cultural and educational conservation and construction project provided in Subparagraph 5 of Article 2.
- IV. Other entity regulated by the competent authority that cooperate with government policies.

Where the Company use its funds to engage in investments provided in the preceding paragraph, the insurer must be a limited partner in the limited partnership enterprise and meet the following requirements:

- I. The Company has established internal operating rules in accordance with relevant self-regulatory rules set out by the insurance association and filed with the competent authority for reference; and
- II. The Company's risk-based capital ratio in the most recent period complies with the provisions of Paragraph 1, Article 143-4 of the Insurance Act.

Article 6 Investment limit and management level: In the investment projects reviewed and approved by the securities investment group, the total investment in the same invested entity that hasn't exceeded NT\$100 million shall be subject to prior approval by the President; investments that haven't exceeded NT\$150 million shall be subject to prior approval by the Chairman; investments of more than NT\$150 million shall be subject to prior approval of the Board of Directors.

Procedure for determination of transaction terms:

- I. The Financial Dept. prepares the "Investment Evaluation Summary Table" based on the investment research information, such as the Company's profile, overview of business, finance and industrial development trend collected by it, sets forth the investment orientation and framework, and establish the monitoring mechanism.
- II. The Financial Dept. produces the investment project proposal with respect to the entity to be invested in accordance with the Company's

“Directions for Securities Investment Operations,” and submit the same to the Securities Investment Group. The contents thereof shall cover the data, such as the Company's overview, product descriptions, industrial development trend, analysis on competitiveness, overview of finance, trading price and evaluation conclusion.

Internal audit system:

I. Risk management measures

- (I) All investment projects shall avoid over-concentrated allocation of funds to the same industry category to strengthen the liquidity, profitability, and safety of the entire investment portfolio.
- (II) The Financial Dept. shall review whether its investment limit and operating procedure satisfy the relevant requirements, and complete the operations related to delivery and custody of certificates in order.
- (III) If any legal matters are involved in the process of investment, Financial Department shall consult with the Company's legal affairs unit or external legal advisor.

Post-investment management method.

- I. Periodic evaluation and performance analysis: The Financial Dept. shall ask the invested entities for financial reports (statements) periodically, and attend general meetings convened by the invested entities. Meanwhile, it shall analyze the business and financial plans to know well about the invested entities' development status at any time and mitigate investment risk, and shall have its head report the invested entities' overview of business to the Company's Board of Directors on a semi-annual basis.
- II. Financial Dept. shall regularly review whether the actual investment conditions meet the original investment plan and scope, the regulations of the competent authority or the competent authorities of other industries, and evaluation and plans for the required response measures.
- III. For the invested entities listed in Subparagraph 2, Article 2, it must be reviewed and ensured that the invested entity does not involve itself in management right disputes of enterprises in which it has direct or indirect investments, and such requirements must be included in the contracts or other agreement documents it has signed.

The Company shall adopt the internal audit system in accordance with the “Regulations Governing Implementation of Internal Control and Auditing System of Insurers” and the Company's internal control system.

I. Internal audit framework

The Company establishes the Internal Audit Office under the Board of Directors, and delegates one General Auditor and an appropriate amount of qualified personnel as full-time internal auditors to conduct the auditing operations independently.

II. Frequency and scope of audit

Conduct the audit required under the “Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises” once per year with a view to confirming whether the related matters and controls comply with laws and the Company's regulations.

III. Submission procedure of the audit report

A written audit report shall be produced and submitted to the Audit Committee for review within two months at the end of each audit.

IV. Improvement tracking

The Internal Audit Office shall ask Financial Dept. to improve the deficiencies found during the audit, continue to follow up and re-check

the improvement, and include the improvement as an important indicator to determine the reward & punishment to, and performance appraisal on, Financial Department.

If the Company invests in an enterprise listed in Article 3 and Article 4, the appointment of directors and supervisors and management system thereof shall follow the Company's "Internal Control Procedures," and when the Company appoints more than half of the directors of the invested entity, they must include least one independent director who must have the professional knowledge necessary for the business operations of the invested entity. The independent director must also maintain his independence within the scope of his job duty and may not have direct or indirect interests with the Company or its affiliate companies.

Article 7

Original investment amount:

- I. The limits for the Company engaging in investment on special projects, public utilities, and social welfare enterprises shall be no more than 10% of the Company's capital in total.
- II. The total amount of investment by the Company in one and the same entity shall be no more than 5% of the Company's capital except for the invested entity listed in Paragraph 2 of Article 5.
- III. The investment in one and the same entity shall comply with the following requirements:
 - (I) Where the invested entity is a venture investment enterprise, and the entity referred to in subparagraph 4, Paragraph 2 of Article 5, such amount shall be no more than 25% of the invested entity's paid-in capital or paid-in capital contribution.
 - (II) Where the investment is made onto a private equity fund listed in Subparagraph 2, Article 2, it may not exceed the paid-in capital of the invested entity or 20% of the actual capital contribution. However, if it meets the regulations of the competent authority, it may not exceed the paid-in capital of the invested entity or 25% of the actual capital contribution.
 - (III) Where the investment is made onto an enterprise with the items enumerated under Article 3 and 4, such amount shall be no more than 45% of the invested entity's paid-in capital or paid-in capital contribution. The foregoing is not applied to the insurer which is qualified with the following conditions and obtains the approval of the competent authority:
 1. The Company's risk-based capital ratio in the most recent period complies with the provisions of Paragraph 1, Article 143-4 of the Insurance Act.
 2. The investment project has been approved by the Board of Directors, and independent directors and Audit Committee have been delegated too.
 3. There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authorities with relevant supporting document.
 4. There have been no major sanctions or disciplinary actions imposed by the competent authority in the most recent year for the company engaging in investment, however, this does not include violations that have been rectified and affirmed by the competent authority.

5. If this is not the first investment and the investment amount is no less than 45% of the invested entity's paid-in capital or paid-in capital contribution, the invested entity shall show no accumulated losses in the financial statement for the most recent period unless the invested entity is a private institution regulated by the Act for Promotion of Private Participation in Infrastructure Projects (PPIP).
- (IV) Except for the invested entity prescribed in the preceding three items, such amount shall be no more than 10% of the invested entity's paid-in capital or paid-in capital contribution.
- IV. In case of securitization products issued by the Company aiming at the contents set forth in Article 3 and 4 as the target, such insurer may invest within the limit of 10% of the total amount of the securitization products, free of the restriction of the investment ratio set forth in the preceding Subparagraph.
- V. The total amount of the Company invested in the entity listed in Paragraph 2 of Article 5 shall not exceed 2% of its total funds.
- VI. The investment in emerging and key strategic projects or venture investment enterprises shall comply with the following requirements:
 - (I) The total amount of investment in any emerging and key strategic project shall be no more than 3% of the Company's capital.
 - (II) The total amount of investment in any venture investment enterprise shall be no more than 8% of the Company's capital. The total amount of any venture investment enterprise managed by the same management consulting service company shall be no more than 6% of the Company's capital.

The major sanctions and disciplinary actions as prescribed in Item 3-4, subparagraph 3, Paragraph 1 of Article 7, and Item 1-5, subparagraph 2, Paragraph 3 of Article 10 refer to one of the major sanctions and disciplinary actions as specified in Article 2 of the FSC's Regulations Governing Public Announcement and Explanation of Major Sanctions and Disciplinary Actions for Violations of Financial Laws.

Where, after the Company engages in investment on special projects, public utilities, and social welfare enterprises, the enterprise is qualified to accept investments under the subparagraph 3 or 4, Paragraph 1 of Article 146-1 of the Insurance Act, the investments in such entity shall be governed by the subparagraph 3 or 4, Paragraph 1 of Article 146-1 of the Insurance Act instead. provided that if the said investment exceeds the ratio as prescribed in subparagraph 3 or 4 of Paragraph 1 or Paragraph 2 of Article 146-1 of the Act, no additional funds shall be invested by the Company in the entity unless the entity requires capital increase by the Company on a pro rata basis subject to the Company's original equity share in the entity.

Where the Company and its stakeholders jointly hold an invested entity listed in subparagraph 2 of Article 2, and subparagraph 1, 2 and 4 of Paragraph 2 of Article 5 or take any methods to achieve controlling and subordinate relations with the same invested entity, the following requirements shall be met:

- I. The Company may not take any direct or indirect methods via the entity to intervene in the business management and investment decisions of the same entity and its invested entity;
- II. The combined investments of the Company and the entity in a company stock whose public issuance is approved by law as prescribed in subparagraph 3, Paragraph 1 of Article 146-1 of the Insurance Act may not exceed the limit as prescribed in subparagraph 3, Paragraph 1 of Article 146-1 of the Act.

The company stocks identified in subparagraph 3, Paragraph 1 of Article 146-1 of the Insurance Act as invested by the entity referred to in subparagraph 2, paragraph 4 of Article 7, which the Company shall combine into the calculation, is calculated based on the Company's investment ratio in the entity. Where the limit is exceeded, the insurer shall comply with the following regulations before the condition is improved:

- I. The Company's shareholding in the aforementioned company stock may not be increased;
- II. The entity's shareholding in said company stock which the Company shall combine into the calculation may not be increased.

Article 8 If the total amount of the Company invested in one and the same invested exceeds half of the paid-in capital or half of the total outstanding voting shares of such invested entity, the followings shall be complied with:

- I. The insurer shall ensure that the invested entity has set up an internal audit unit and set out in its internal control system the procedures and methods for self-assessment operation. Compliance with this implementation shall be tracked periodically by the insurer.
- II. The insurer shall ensure that the invested entity has agreed to provide at least an annual audit report or self-assessment report to the Company. The Company shall also ensure that the invested entity has agreed to submit a report to it within 10 days from the date the invested entity has found any violation or abnormality of the internal control system while conducting a project or annual audit.
- III. The Company shall ensure that the invested entity has agreed it to conduct an on-site audit on the invested entity during the investment period.
- IV. If the income after tax of the invested entity in the most recent accounting year is negative or the invested entity generates accumulated losses after the investment, the Company shall submit an improvement plan to its Board of Directors within two months from the date the financial report has been prepared by the invested entity. Additionally, the Internal Audit Office of the Company shall submit a quarterly audit report on the implementation of the improvement plan to the Board of Directors.
- V. The Internal Audit Office shall track the improvement status of the invested entity on the deficiencies and extraordinary circumstances mentioned in subparagraph 2 and conduct an on-site audit on the invested entity once every six months. The relevant tracking and audit items shall be included in scope of the internal control and audit of the Company. If any misconduct or material malpractice is detected, the Company shall immediately inform the invested entity and periodically prepare a tracking report. The completed audit and tracking report shall be submitted to the latest meeting of the Board of Directors of the Company.
- VI. The subsidiaries shall comply with the required control procedure according to the "Regulations Governing Implementation of Internal Control and Auditing System of Insurers" and "Regulations Governing Establishment of Internal Control Systems by Public Companies".
- VII. The insurer shall establish a monitoring and audit management system. Such monitoring and audit system shall at least include the regulations prescribes in the preceding six subparagraphs and be submitted to and passed by the board of directors. If the independent directors have objections or reserve their opinions, the meeting minutes shall record the details.

The audit and tracking report prescribed in Subparagraph 5 of previous Paragraph shall be signed by the general manager, the general auditor, and the compliance officer of the headquarter of the Company. The content of the audit report shall at least include the followings:

- I. Operating status of the invested entity;
- II. Quarterly financial statement of the invested entity;
- III. The meeting minutes and the implementation status of the resolutions passed by the board of directors of the invested entity;
- IV. The implementation status of the resolutions passed by the shareholders meeting of the invested entity;
- V. The existence of violation or abnormalities in the internal control system of the invested entity; and
- VI. Whether the invested entity has a major violation or has been involved in any illegal activity.

The Company shall comply with Article 11 of the “Regulations Governing Public Disclosure of Information by Property Insurers” to disclose the audit report for the implementation of investment improvement plans listed in subparagraph 4 of Paragraph 1, as well as the complete audit report of the invested entity listed in subparagraph 5 in the same Paragraph to the public under the notes which shall be made under the information disclosure website. Said disclosure information shall be updated within 10 days after submission to the Board of Directors.

Article 9

When using its funds for special projects, public utilities and social welfare enterprises, the Company shall apply for approval from the competent authorities by submitting the following documents:

- I. Investment plan and objectives (including objectives, method, market analysis, cost analysis, analysis of long-term and short-term return on investment, composition of shareholders or partners’ structure of the limited partnership enterprise and management team). This document can be replaced by a letter of opinion on the financial adequacy of the investment project issued by a certified public accountant and a letter of legal opinion on the legitimacy of the investment project issued by a qualified lawyer where the investment is made onto an enterprise with the items enumerated under Articles 3 and 4.
- II. Details of the funds used for the special project or public utilities or social welfare enterprises, and analysis of return (including analysis of return on investment in each phase with explanatory notes)
- III. Financial statements of the invested entity. This document does not need to be attached if the invested entity has been established for less than a year.
- IV. Summary of the limited partnership agreement draft if the invested entity is the limited partnership enterprise provided in Paragraph 2 of Article 5.
- V. Documents regarding decisions resolved or powers authorized by the board of directors.
- VI. Post-investment management methods and evaluation and plans for the response measures. If the invested entity is an enterprise listed in Article 3 or Article 4 and requires environmental impact assessment report in accordance with the Environmental Impact Assessment Act, the Company shall explain Post-investment management methods of environmental impact assessment items.

- VII. If the invested entity is listed in Subparagraph 2, Article 2, provide the fundraising plans and investment decision-making mechanisms, post-loan management, information disclosure, and mechanisms for preventing conflicts of interest.
 - VIII. If the invested entity is an enterprise listed in Article 3 or Article 4, provide an explanation of the list of directors and supervisors it has appointed, management mechanisms for ensuring proper exercise of rights, material decisions, and post-investment management mechanisms. If the total number of directors appointed by the insurer exceeds half of all directors, it must provide explanation documents for the criteria for the independence of directors specified in Paragraph 6, Article 6.
 - IX. Letters of approval issued by the relevant authorities.
 - X. Other information specified by the competent authority.
- Any change in the directors and supervisors assigned by enterprises listed in Article 3 and Article 4 with investments from the Company must be reported to the competent authorities for reference. °

Article 10

In any of the following circumstances, the Company may proceed to engage in investment on special projects, public utilities, and social welfare enterprises upon approval subject to the level of authority. The foregoing is not applied to the Company proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act:

- I. The insurer increases its monetary investment in an entity for such project as has been approved by the competent authority, without increasing its original share or contribution in the total investment in the project.
- II. The invested entity is a venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses, the private equity funds listed in Subparagraph 2, Article 2 and Subparagraph 2, Paragraph 2, Article 5, the public utilities listed in Article 3 or the entity listed in Subparagraph 4 of Paragraph 2 of Article 5, and the total amount that the Company invests in one and the same entity is less than NT\$500 million and less than 5% of the owner's equity of the insurer.
- III. The invested entity is not such an enterprise as specified in the preceding Subparagraph and the total amount that the insurer invests in one and the same entity is less than NT\$50 million and less than 2% of the owner's equity of the Company.
- IV. Other circumstances regulated by the competent authority.

When the Company is executing the investment referred to in the preceding paragraph, its risk-based capital ratio in the most recent period complies with the provisions of Paragraph 1, Article 143-4 of the Insurance Act.

If the invested entity is the entity regulated by the Act for PPP and the following investment amount and conditions are met, the Company can invest in such entity. The foregoing is not applied to the Company proceeds with investment in accordance with Article 3 and Article 4, and the invested entity requires an environmental impact assessment report in accordance with the Environmental Impact Assessment Act:

- I. If the total amount of investment in one and the same project of the Company is less than NT\$1 billion and 10% of the owner's equity of the Company, the Company shall submit the documents referred to in Paragraph 1 of the preceding article to the Board of Directors for resolution and approval prior to the investment.
- II. The total amount of investment in one and the same project of the insurer is less than NT\$5 billion and 10% of the owner's equity of the Company, and the following conditions are fulfilled:
 - (I) The financial conditions, corporate governance, and internal control of the Company must fulfill the following conditions:
 1. Both of the risk-based capital ratio of the Company in the most recent period and the average risk-based capital ratio of the Company over the most recent two years are 250% at least.
 2. The documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors and resolved and approved by a majority of the directors at the Board meeting attended by over two-thirds of all directors before the investment is made.
 3. Independent directors and Audit Committee have been delegated.
 4. There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authority.
 5. There have been no major sanctions or disciplinary actions imposed by the competent authority in the most recent year for the company engaging in investment, however, this does not include violations that have been rectified and affirmed by the competent authority.
 - (II) The investment project complies with the financial standards set forth by the insurance association and filed with the competent authority for reference, has the guarantee or risk sharing mechanism provided by the authority in charge, and stipulates dispute settlement mechanism, and the documents referred to in Paragraph 1 of the preceding article have been submitted to the Board of Directors for resolution and approval prior to the investment.

The total amount of investment referred to in Paragraph 3 made in accordance with the Act for PPP refers to the total amount of royalty, construction cost, and rent paid by the Company under the investment contract.

Where the Company proceeds with investment in accordance with regulations in Paragraph 1 and Paragraph 3, shall provide the documents submitted to the competent authority for subsequent review, and the compliance officer of the headquarters of the Company must submit an opinion on the compliance with laws and internal regulations and sign the statement to ensure accountability.

Article 11 The Company insurer handles special use of loans as follows:

- I. Loans guaranteed by credit guarantee institutions authorized by the banks or competent authorities;
- II. Loans guaranteed with the collateral of properties or real properties;
- III. Loans guaranteed with collateral of marketable securities in compliance with Article 146.1 of the Insurance Act.

The Company must collect 100% collateral for the loans granted to the person in charge, employees or major shareholders referred to in the preceding

paragraph, or the stakeholders of the person in charge or the responsible loan officer; also, the loan terms and conditions shall not be superior to other similar debtors. If the loan amount exceeds the threshold stipulated by the competent authorities, it must be with the consent of three-fourths of the directors at a meeting attended by more than two-thirds of the entire board of directors. The scope, quota, total loan amount, and other binding matters for the stakeholders shall apply the “Regulations for Extending Loans by Insurance Enterprises to Stakeholders” and the Company's “Procedures for Transactions with Stakeholders.”

For the Company with the latest equity capital and risk capital ratio over 200%, the special loans arranged in accordance with the government policy may be reported to the competent authorities for exemption not subject to the restrictions of the first Paragraph.

Article 12 Any matters not covered herein shall be governed by related laws and regulations and the Company's other related operating procedures.

Article 13 The Procedures shall be enforced upon approval of the Board of Directors, and reported to the competent authority and a general meeting. The same shall apply where the Procedures are amended.

Appendix V

Taiwan Fire & Marine Insurance Co., Ltd. Shareholding of the 26th Term Board of Directors

The number of shares held by Directors recorded in the roster of shareholders as of the date of share transfer suspension for the General Meeting (April 18, 2023) is stated as below:

Title	Name	Date elected	Term of office	Shares
Chairman	Steve Lee	2020.06.12	3 years	7,509,939
Vice Chairman	Charles Sung (Representative of Yong-Shin Development Co., Ltd.)	2020.06.12	3 Years	24,158,535
Director	Chung-Chou Chang (Representative of Yong-Shin Development Co., Ltd.)	2020.06.12	3 Years	24,158,535
Director	Bin-Fu Chen (Representative of Yong-Shin Development Co., Ltd.)	2020.06.12	3 Years	24,158,535
Director	Chain-Cheng Lee (Representative of Yong-Shin Development Co., Ltd.)	2020.06.12	3 Years	24,158,535
Director	Hsiu-Shiang Liu (Representative of Bank of Taiwan Co., Ltd.)	2020.06.12	3 Years	64,608,278
Director	Mei-Ling Wu (Representative of Bank of Taiwan Co., Ltd.)	2020.06.12	3 Years	64,608,278
Director	Wei-Hsin Wang (Representative of Bank of Taiwan Co., Ltd.)	2020.06.12	3 Years	64,608,278
Independent Director	Cheng-Ching Huang	2020.06.12	3 Years	0
Independent Director	Nien-Tsu Chiang	2020.06.12	3 Years	0
Independent Director	Jimmy T. Hsieh	2020.06.12	3 Years	0
A total of 88,766,813 shares held by Directors		Representing 24.51% of the total shares		
Minimum required shares to be held by Directors: 14,488,016 shares.				