

Union Insurance Company Corporate Governance Best Practice Principles

Promulgated on 25 May, 2009

Amended on 1 March, 2010

Amended on 22 August, 2012

Amended on 31 December, 2014

Amended on 24 March, 2015

Amended on 28 May, 2015

Chapter I General Provisions

Article 1

Union Insurance Company (hereinafter called "the Company") hereby adopts Corporate Governance Best Principles for TWSE/GTSM Listed Companies, Corporate Best Principles for Insurance Companies, and relevant laws, regulations, to be followed, to formulate a sound corporate governance systems.

Article 2

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, emphasizing the capital adequacy, assets quality, management capability, profitability, assets liquidation and risk awareness, the Company shall abide by following principles:

1. Establish an effective corporate governance framework.
2. Protect the rights and interests of shareholders.
3. Strengthen the powers of the board of directors.
4. Fulfill the function of supervisors.
5. Respect the rights and interests of the customers and interested parties.
6. Enhance information transparency.

The Company shall stipulate, in pursuant to relevant anti-trust directions, guidelines, and principles and in consideration of the Company's business scales and business strategy demand, the optimal anti-trust regulations to ensure that business activities meet the requirements of Fair Trade Act.

Article 3

The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

The adoption or amendment of its internal control system shall be submitted to the board of directors for approval by resolution unless an approval has been obtained from the Authority; when an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.

The Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

To put the internal control system into effect, strengthen the professional abilities of the agent of the internal auditor and to further improve and maintain the quality and implementing result of the audit, the Company shall have a deputy in place for the internal auditing personnel.

The qualification requirements on the internal auditor set out in Article 11, paragraph 6 of the Criteria Governing Establishment of Internal Control System by Public Reporting Companies and Articles 16, 17, and 18 of the same Criteria shall apply mutatis mutandis to the deputy as referred to in the preceding paragraph.

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4

When implementing the corporate governance system, the Company shall take the protection of shareholders' rights and interests as its foremost goal and treat all shareholders fairly.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Company.

Article 5

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.

Article 6

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient

location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors and at least one supervisor attend in person, and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the Company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secured basis.

The Company shall seek all ways and means, including fully exploiting technologies for information disclosure and casting votes, to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with law.

The Company that employs electronic voting at a shareholders meeting is advised to avoid raising extraordinary motions and amendments to original proposals.

The Company are advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, through the Internet information reporting system designated by the TWSE.

If the company distributes souvenirs at its shareholders meeting, it shall not practice differential treatment or discrimination.

Article 8

The Company shall record the meeting minutes in accordance with the Company Act and relevant regulations, and with respect to unanimous by adopted proposal, the meeting minutes shall record "Upon solicitation of comments by the Chairman, there was no objection voiced and the resolution was adopted unanimously by the shareholders present". As to any proposal that has received dissenting comments and been adopted in the shareholders' meeting, the meeting minutes shall record the method and result of the voting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted and the total number of votes for the directors who were elected.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website.

Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders on company financial conditions and operations, insider

shareholdings, and corporate governance status.

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

Article 11

The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the supervisors, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records and assets of the company.

The board of directors, supervisors, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any obstruction, rejection or circumvention.

Article 12

In entering into material financial and business transactions, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

Article 13

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in

which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's articles of incorporation by any directors, supervisors or managers in performing their duties.

Section 2 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14

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

Article 15

Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17

When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations

between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

Article 18

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to conduct any business which is contrary to normal business practice or not profitable.
2. It shall, at a shareholders meeting, exercise his/her voting right in good faith and for the best interest of all shareholders, and shall exercise the fiduciary duty and duty of care of being a director or supervisor.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the Company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the Company.
6. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19

The Company shall retain at all times a register of shareholders who holding more than 10 percent of the outstanding shares of the Company.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the Company relating to the

pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

Chapter III Enhancing the Function of Board of Directors

Section 1 Structure of Board of Directors

Article 20

The board of directors of the Company shall be responsible to the shareholders meetings. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs. While selecting the independent directors, those objective conditions of reasonably professional combination and independent capability of acting duties shall be put into considerations cautiously.

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. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.

3. Ability to conduct management administration.
4. Risk management knowledge and ability.
5. Ability to conduct crisis management.
6. Knowledge of the industry.
7. An international market perspective.
8. Ability to lead.
9. Ability to make policy decisions.

The Board of Directors shall perceive the risks (such as market risk, credit risk, liquidation risk, operation risk, law risk, reputation risk and other managerial risks) faced by the Company's operations, shall confirm of effectiveness of risk management, and be ultimately responsible for the management of the risks.

Article 21

In order to achieve the goal of corporate governance, the main duties of the Board of Directors are as follows:

1. Stipulation of an effective and appropriate internal control system.
2. Selection and supervision of managers.
3. Review of the management policy and business plan of the Company, and supervision of its enforcement.
4. Review of the financial goal of the Company, and the supervision of its fulfillment.
5. Supervision of allocation of assets and liabilities, and the result of operations of the Company.
6. Maintenance of the Company's minimum solvency capability.
7. Supervision and handling of the risk of the Company faced.
8. Supervision of the future development of the Company.
9. Maintenance of the Company image, and fulfillment of social responsibility.
10. Maintenance of the customer's rights and interests.
11. Ensuring the compliance with relevant laws and regulations by the Company.

Article 22

The Company shall establish a fair, just, and open procedure for the election of directors.

Prior to the election of directors, it is advisable that the Company review in advance the

qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act and in Article 3, 6, 7 of Regulations Governing Required Qualifications for Responsible of Insurance Enterprises with respect to the director candidates recommended by shareholders or directors, and the company may not arbitrarily add requirements for documentation of other qualifications. It is advised to provide the results of the review to shareholders for their reference, so that qualified directors will be elected.

Article 23

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager. If the chairperson also acts as the general manager or the chairperson and general manager are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased. If the Company sets up a functional committee, the responsibilities and duties of the committee shall be clearly defined.

Section 2 Independent Director System

Article 24

The Company shall appoint independent directors in accordance with the decisions of shareholder's meeting. The qualifications, identification standards, and minimum number or percentage of independent directors shall be set forth in accordance with the rules and regulations of the Taiwan Stock Exchange and the Company.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company.

The Company shall, in accordance with Article 192-1 of the Company Act, adopt a candidate nomination system for election of the independent directors and expressly

stipulate such system in the articles of incorporation; and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates.

Independent and non-independent directors shall be elected at the same time but on separate ballots pursuant to Article 198 of the Company Act.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

If an independent director is discharged for any reason, resulting in a number of directors lower than that required under paragraph 1 or the articles of incorporation, a by-election for independent director shall be held at the next shareholders meeting. In the event that all the independent directors have been discharged, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the vacancies arose.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange.

Article 25

Unless otherwise approved by the Authority, the Company shall submit the following matters to the board of directors for approval. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 148-3 of the Insurance Act.
2. Adoption or amendment, pursuant to Article 146, paragraph 6, 146-1, 146-3, 146-7 of the Insurance Act, of handling procedures for financial or operational actions of material significance, such as derivatives trading, investment in securities, monetary loans to interests party, or other transactions.
3. A matter bearing on the personal interest of a director or a supervisor.

4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. The performance appraisal and remuneration standards for managers.
10. Any other material matter so required by the Authority.

Article 26

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members shall not restrict or obstruct the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors in its articles of incorporation or approve the same in a shareholders meeting. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the Company, and shall also take the overall operational risks of the Company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Other Functional Committees

Article 27

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the size of its board and the number of its independent directors, may set up functional committees for auditing, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their

proposals to the board of directors for approval.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the Company for exercise of power by the committee.

Article 28

The Company shall establish a remuneration committee. The main responsibilities of remuneration committee are to prescribe the standards of the remuneration of performance appraisals of directors, supervisors, and managerial officers. The remuneration committee comprised at least three persons in number by directors, and the independent director, acting as the convener and chairperson of the committee, shall be the member of the committee.

The remuneration committee shall provide suggestions of the remuneration policy for directors, supervisors and managerial officers to the Board of directors.

The remuneration policy shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.

Article 29

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

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

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions.

The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for 5 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30

It is advisable that the Company engages a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the Company shall retain a legal counsel to provide assistance as circumstances require.

The supervisor or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the Company.

Section 4 Rules for the Proceedings of Board Meetings and the Decision-Making Procedures

Article 31

The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall include the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32

The directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings. The Company shall also stipulate shareholders, directors, supervisors, and other related parties the regulations of voluntary recusal for Particular motions in the rules of procedure for board meetings. Should the applicants require voluntary recusal must be resolved by the board of directors, and shall not be allowed to participate in discussion or voting on that proposal before the resolutions.

Article 33

When a board meeting is convened to consider any matter submitted to it pursuant to

Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

Decisions made by the board of directors, in condition that there is an independent director has a dissenting or qualified opinion which is on record or stated in a written statement, shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS before the beginning of trading hours on the first business day after the date of the board meeting.

A board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the Company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the Company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the Company.

Meeting minutes may be produced, distributed, and preserved by electronic means. A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35

The Company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 148-3 of Insurance Act and Article 14-1 of the Securities and Exchange Act.
4. Adoption or amendment, pursuant to Article 146, paragraph 8, 146-1, 146-3, 146-7 of the Insurance Act and Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as derivatives trading, investment in securities, monetary loans to interests party, or other transactions, acquisition or disposal of assets, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.

6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. The performance assessment and the standard of remuneration of the managerial officers.
8. The structure and system of director's remuneration.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be submitted to a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

The Company shall stipulate the standards of performance evaluation and remuneration for directors, supervisors, and management managers in accordance with the Company's overall profit capability, long-term profitability status, the costs of capital, related risks, and the interests of shareholders, and shall adjust them simultaneously according to the adjusted profits during the risk period. And the risks incurred by this incentive system will not exceed the capacity of the Company's risk appetite.

Article 36

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

Any resolution of the board of directors that involves the Company's business development or a major policy direction shall be carefully considered and may not affect the implementation or effectiveness of corporate governance.

Independent directors shall perform their duties in accordance with relevant laws, regulations and the Company's articles of incorporation so as to protect the interests of the Company and shareholders.

Article 37-1

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 38

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Company would suffer material injury, members of the board of directors shall immediately report to the Supervisor in accordance with the foregoing paragraph.

Article 39

The aggregate shareholding percentage of all the directors of the Company shall comply with laws and regulations. Restrictions on share transfers by each director and the creation, release, or changes in pledges of shares held by each director shall comply with the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 40

According to the articles of incorporation or a resolution adopted in the shareholders meeting, the Company may take out liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

Article 41

Members of the board of directors are advised to participate in training courses on insurance, finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in various associations, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Article 41-1

The Company's board of directors shall evaluate the performance of the board of directors, functional committees, and individual director by the internal evaluation of the board, self-evaluation by individual board member, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

The items of self-evaluation of individual board member are as follows:

1. Participation in the operation of the board of directors.
2. Understanding proposals before board meeting and participation in the discussion of the board of directors.
3. Interaction with the Company's managerial people.
4. Fulfillment of legal compliance.

5. Improvement of corporate governance management.
6. Continuing education on corporate governance curriculums.
7. Understanding the operation of the Company, the management team of the Company, and the Insurance industry.
8. Other issues appointed by the Authority or the Board of Directors.

The items of peer evaluation of individual board member are as follows:

1. Understanding proposals before board meeting and participation in the discussion of the other individual member in the board of directors.
2. Interaction with the Company's management team of the other individual board member.
3. Operations of the board of directors and other functional committees.
4. Fulfillment of legal compliance of the other individual board member.
5. Realize the other individual member the understanding of the function and role of the board of directors.
6. Should the other individual board member elaborate the duties and functions of being a director.
7. Should the other individual board member improve the corporate governance management.
8. Should the other individual board member understand the operation of the Company, the management team of the Company, and the Insurance industry.
9. Other issues appointed by the Authority or the Board of Directors.

Chapter IV Empowering the Supervisors

Article 42

The Company shall stipulate a fair, just, and open procedure for the election of supervisors.

The Company shall take into consideration the needs of overall business operations and comply with the rules of the TWSE in setting the minimum number of supervisors.

Article 43

Prior to the election of a Supervisor in the shareholder's meeting, the Company is advised

to review in advance the qualifications, education, working experience, background and the existence of any other matters set forth in Article 30 of the Company Act and in Article 3, 6, 7 of Regulations Governing Required Qualifications for Responsible of Insurance Enterprises with respect to the supervisor candidates recommended by the shareholders or directors, and the Company may not arbitrarily add requirements for documentation of other qualifications. It is advised to provide the results of the review to the shareholders for their reference, so that qualified supervisors will be elected.

Article 44

The Company is advised to refer to the provisions on independence provided in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and appoint a suitable supervisor to enhance the risk management and financial and operational control of the Company.

A supervisor will preferably be domiciled within the territory of the R.O.C. to allow timely performance of supervisory functions.

Article 45

A supervisor shall be familiar with the relevant laws and regulations, and shall understand the rights, obligations, and duties of directors of the Company and the functions, duties, and operation of each department. A supervisor shall attend meetings of the board of directors to supervise their operations and to state his/her opinions when appropriate so as to grasp or discover any abnormal situation early on.

The Company shall stipulate the supervisor's remuneration in its articles of incorporation or by an approval in a shareholders meeting.

Article 46

A supervisor shall supervise the implementation of the operations of the Company, and the performance of duties by directors and managers, and care the enforcement of the internal control system so as to reduce the financial and operational risks of the Company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the Company, a supervisor shall act as the

representative of the Company.

Article 47

A supervisor shall investigate the operational and financial conditions of the Company from time to time, and the relevant departments in the Company shall provide the books or documents that will be needed for the supervisor's review.

When reviewing the finance or operations of the Company, a supervisor may retain attorneys or CPAs on behalf of the Company to perform the review; however, the Company shall inform the relevant persons of their confidentiality obligations.

The board of directors, managers, and an AA shall submit reports in accordance with the request of the supervisors and shall not for any reason obstruct, circumvent, or refuse the inspection of the supervisor.

When a supervisor performs the above duties, the Company shall provide necessary assistance as needed by the supervisor, and the reasonable expenses that the supervisor needs shall be borne by the Company.

Article 48

For supervisors to timely discover any possible irregular conduct in the Company, the Company shall establish a channel for supervisors to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, a supervisor shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or general manager, an officer of the finance, accounting, research and development, internal audit department, a CPA, or an AA resigned or is removed from his/her position, the supervisors shall investigate the reasons.

In the event that a supervisor neglects his/her duties and therefore causes harm to the Company, the supervisor shall be liable to the Company.

Article 49

When exercising his/her supervisory power, each supervisor of the Company may, after taking into consideration the overall interest of the Company and shareholders, convene a meeting to exchange opinions among all the supervisors when he or she feels necessary, but in so doing may not obstruct supervisors in exercising their duties.

Article 50

In accordance with the articles of incorporation or a resolution adopted at a shareholders meeting, the Company may take out liability insurance for supervisors with respect to liabilities resulting from the exercise of duties during their terms, so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoing or negligence of a supervisor.

Article 51

The supervisors shall exercise a high degree of self-discipline. If a supervisor is an interested party with respect to any proposal for a board meeting and is likely to prejudice the interests of the Company, the supervisor may not participate in discussion or voting on that proposal.

Article 52

The supervisors are advised to participate in training courses on insurance, finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in various associations, which cover subjects relating to corporate governance upon becoming supervisors and throughout their terms of occupancy.

Chapter V Respecting Stakeholders' Rights

Article 53

The Company shall maintain channels of communication with its customers, employees, shareholders, or other stakeholders, and shall respect and safeguard their legal rights. It is advisable for the Company to designate a stakeholders section on its website.

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

Article 54

The Company shall respect and maintain the customer's legal rights, and shall ensure acting with utmost good faith to handle consumer complaints and disputes through proper means.

Article 55

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or supervisors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 56

The Company shall pay attention to protect consumers' interests, and shall give serious regard to the Company's social responsibility and public interest issues,.

Chapter VI Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 57

The Company shall perform its obligations of disclosure of information faithfully in accordance with Regulations Governing Public Disclosure of Information by Non-life Insurance Enterprises, the relevant laws, regulations.

The Company shall appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 58

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the Company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

Article 59

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance.

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

Section 2 Disclosure of Information on Corporate Governance

Article 60

The Company shall disclose the following information regarding corporate governance in the fiscal year in accordance with laws, rules, and regulations:

1. Corporate governance framework and rules.
2. Ownership structure and the rights and interests of shareholders.

3. Structure and independence of the board of directors.
4. Operations of the Board of Directors.
5. Responsibility of the board of directors and managerial officers.
6. Composition, duties and independence of the supervisors.
7. Operations of the participation of Supervisors in the Board of Directors.
8. Composition, duties and operation of the remuneration committee, risk management committee or other functional committees.
9. The remuneration paid to the directors, supervisors, general manager and vice general manager in the most recent fiscal year, the analysis of the percentage of total remuneration to net profit after tax, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.
10. Disclosure of the remuneration paid to the directors, supervisors, general manager respectively in accordance with "Regulations Governing Preparation of Financial and Operational Reports by Enterprises Engaging in Insurance" in case requested by other laws, regulations or by the Authority.
11. The progress of training of directors and supervisors.
12. Information about risk management.
13. The rights of and relationships between the stakeholders.
14. Customers complaints management system.
15. Fulfillment of Social Responsibility.
16. Donation made to Political Parties, Related Parties and Non-Profit Organizations.
17. Corporate Governance Execution Status and Deviations from "Corporate Governance Best Practice Principles for Insurance Companies".
18. Internal Auditing related information.
19. Other information regarding corporate governance.

The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

Article 61

The Company shall hold an investor conference in compliance with the regulations of the

TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the designated Internet information posting system and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.

Chapter VII Supplementary Provisions

Article 62

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.