



**旺旺友聯產物保險股份有限公司**  
**Union Insurance Co., Ltd.**

# **2020 Annual General Meeting**

## **Handbook**

Time: 9:00 AM on June 24, 2020  
Place: International Reception Hall, The Grand Hotel, 2F,  
No.1, Sec. 4, Zhong-Shan North Road, Taipei City

# Union Insurance Co., Ltd.

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**Union Insurance Co., Ltd.**  
**2020 Annual General Meeting Procedures**

Time: 9:00 AM on June 24, 2020

Venue: International Reception Hall, The Grand Hotel, 2F, No.1, Sec. 4, Zhong-Shan North Road., Taipei City

- I. Call the Meeting to Order.
- II. Chairperson Takes Chair
- III. Matters to be reported
  - (I) 2019 Business Reports and Financial Statements.
  - (II) Audit Committee's Review Report on the 2019 Financial Statements.
  - (III) 2019 Employee and Director Remuneration Distribution Report.
  - (IV) Amendments of the "Procedures of the Company's Funds in Special Projects, Public Utilities and Social Welfare Enterprises."
- IV. Proposals
  - (I) Adoption of the 2019 Financial Statements.
  - (II) Adoption of the proposal for 2019 Earnings Distribution Report.
- V. Discussions
  - (I) Reinvestment of the Company's surplus as new issuance of shares.
  - (II) Partial Amendments to the Company's "Articles of Incorporation."
  - (III) Partial Amendments to the Company's "Rules for Election of Directors."
  - (IV) Partial Amendments to the Company's "Rules of Procedure for Shareholders' Meetings."
- VI. Extempore Motion
- VII. Adjournment

## **Matters to be reported**

(I) 2019 Business Report and Financial Statements:

[For details, please refer to the Company's 2019 Business Report and Financial Statements as set out in Attachments I to III] (#page8# - #page25#)

(II) Audit Committee's Review Report on the 2019 Financial Statements:

[Audit Committee's Review Report is set out in Attachment IV] (#page26#)

(III) 2019 Employees' and Directors' Remuneration Distribution:

The Company's Board of Directors approved the distribution of 2019 employees' compensation of NT\$28,000,000 and directors' remuneration of NT\$6,000,000 in cash on March 20, 2020, and the distribution completed in April.

(IV) Amendments of the "Procedures of the Company's Funds in Special Projects, Public Utilities and Social Welfare Enterprises."

[The Comparison Table of the Amendments to the "Procedures of the Company's Funds in Special Projects, Public Utilities and Social Welfare Enterprises" is set out in Attachment V] (#page27# - #page37#)

## **Proposals**

Proposal 1:

Proposed by the Board of Directors

Subject: Please proceed with the adoption of the Company's 2019 Business Report and Financial Statements.

Explanation:

- I. To handle in accordance with the provisions in Paragraph 1 of Article 20, Paragraph 1 of Article 228 of the Company Act and Article 36 of the Securities and Exchange Act.
- II. The Company's 2019 Business Report is prepared as in Attachment I (#page8# - #page9#).
- III. The Company's 2018 consolidated and individual financial statements certified by CPA's Li Feng-Hui, Chung Dan-Dan of CPA firm KPMG Taiwan are attached as in Attachments [Attachments II to III] (#page10# - #page25#).

Resolution:

Proposal 2:

Proposed by the Board of Directors

Subject: Please proceed the adoption the proposal for 2019 Earnings Distribution Report.

Explanation:

- I. The net profit after tax of the Company for 2019 was NT\$703,782,323. The attributable profit of NT\$411,551,033, after the net profit after tax was adjusted for other items and allocated legal surplus reserve and special surplus reserve, shall be distributed to shareholders as cash dividend of NT\$187,404,800 and stock dividend of NT\$106,480,000.
- II. In accordance with the Company's actual shares outstanding, each share is distributed with cash dividends of NT\$0.88 and stock dividend of NT\$0.5 calculated up to 1 unit of NT dollar amount. The remainder will be discarded and then included in the Company's other income item. After approval at the shareholders' meeting, the Board of Directors shall delegate the Chairman to set ex-dividend date.
- III. In the event that the proposed profit distribution is affected by factors such as changes in the number of outstanding shares due to the changes in the capital that may be subject to the changes in the ratio of dividend distribution, the Board of Directors is authorized to amend such related matters and announce it.
- IV. Earnings Distribution Table was prepared in accordance with profit distribution related provisions in Article 36 of the Company' Articles of Incorporation.

Resolution:

**Union Insurance Co., Ltd.**  
**Earnings Distribution Statement**  
**2019**

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated retained earnings at the beginning of the period		115,901,738
Actuarial gains and losses change in the current period	(19,579,185)	
Equity instruments measured at FVTOCI	20,057,584	
Reversal of special reserve (Note 2)	3,020,490	
Net profit after tax in the current period	703,782,323	
<i>Subtotal</i>		<b>823,182,950</b>
<b>Allowance Items</b>		
Less: legal reserves	(140,756,465)	
Less: special reserves (Note 1)	(270,875,452)	
<b>Distributable earnings</b>		<b>411,551,033</b>
<b>Distribution items</b>		
Shareholder bonus: cash dividend of NT\$0.88 per share	(187,404,800)	
Shareholder bonus: stock dividend of NT\$0.5 per share	(106,480,000)	
<b>Unappropriated retained earnings at the ending of the period</b>		<b>117,666,233</b>

Note 1. The special reserves set aside pursuant to provisions in Article 8, 9, and 10 of the "Regulations Governing Insurance Enterprises for Setting Aside Various Reserves" shall be based on the remaining balance after deduction of income tax pursuant to International Accounting Standards No. 12 and be set aside in the account of "Special Reserve" under "Owner's Equity."

Note 2. According the Order No. 10502066461 dated July 13, 2016 issued by the Financial Supervisory Commission, the Company's distribution of earnings for fiscal years from 2016 to 2018 shall be set aside as special reserve for the "Employee Training and Transformation Plan." Later when the expenditure is used, the same amount shall be reversed from the balance of special reserve.

Note 3. 2019 surplus is preferentially allocated to dividends, which are calculated based on 212,960,000 outstanding shares.

## Discussions

Proposal 1: Proposed by the Board of Directors

Subject: Please proceed the reinvestment of the Company's surplus as new issuance of shares.

Explanation:

- I. To enrich the working capital, improve the financial structure, expand the underwriting ability, enhance the market competitiveness, and enhance the core capital and risk-bearing capacity of the Company, the management plans to withdraw NT\$106,480,000 from distributable earnings to issue new stocks (10,648,000 shares) with par value of NT\$10 per share, the Company's paid-in capital increases from NT\$2,129,600,000 to NT\$2,236,080,000.
- II. The conditions for the issuance:
  - (I) The new shares issued will be distributed according to the number of shares held in the register of shareholders on the record date, calculated based on the number of 212,960,000 shares in circulation at the time of distribution, and 50 shares will be distributed per thousand shares.
  - (II) For fractional shares, the shareholders may aggregate their fractional shares into one share within five days from the ex-right date; provided, however, that if there is any fractional share left, the Company will pay cash in NT\$ (round down to NT\$1), in lieu of stock dividends and the Chairman of the Board of Directors is authorized to allot such fractional shares for subscription at par value by designed person.
  - (III) In the event that the proposed profit distribution is affected by factors such as changes in the number of outstanding shares due to the changes in the capital that may be subject to the changes in the ratio of dividend distribution, the Board of Directors is authorized to amend such related matters and announce it.
  - (IV) The shareholder's rights and obligation of the new shares to be issues shall rank pari passu in all respect with the issued and outstanding common shares of the Company.
- III. Upon receiving the approval from relevant authority, it is proposed to authorize the Board of Directors to determine the ex-right date; in addition, it is proposed to authorize the Board of Directors to handle all matter relating to the proposed capitalization depending on actual needs or accommodating the authorities' requirement to make any change thereto.

Resolution:



Proposal 2: Proposed by the Board of Directors

Subject: Partial Amendments to the Company's "Articles of Incorporation."

Explanation:

- I. Proceed as per Article 162 of the Company Act and the FSC-certified Financial-Supervisory-Securities-Corporate-1080311451 dated April 25, 2019, issued by the Taiwan Securities and Futures Commission.
- II. The Comparison Table of amendments is attached in [Attachment VI] (#page38-39#).

Resolution:

Proposal 3: Proposed by the Board of Directors

Subject: Partial Amendments to the Company's "Rules for Election of Directors."

Explanation:

- I. According to Directive No. 1080311451 by the FSC on April 25, 2019, the requirements that the candidate nomination system shall be adopted for the election of directors and supervisors of all TWSE- and TPEX-listed companies from January 1, 2021. Furthermore, the Articles of Incorporation of a company shall state that the shareholders shall elect the directors and supervisors among the nominees listed in the roster of candidates.
- II. The Comparison Table of amendments is attached in [Attachment VII] (#page40#).

Resolution:

Proposal 4: Proposed by the Board of Directors

Subject: Partial Amendments to the Company's "Rules of Procedure for Shareholders' Meetings."

Explanation:

- I. Refer to Announcement No. 1080024221 by TWSE on January 2, 2020 about "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" and to meet the Company's future business development needs, it is proposed to amend the Company's "Rules of Procedure for Shareholders' Meetings" partially.
- II. The Comparison Table of amendments is attached in [Attachment VIII] (#page41# - #page47#).

Resolution:

**Extempore Motions**

**Meeting Adjourned**

## Attachment I



旺旺友聯產物保險股份有限公司  
Union Insurance Co., Ltd.

# 2019 Business Report

## I. Operating Directives

The Company continues to uphold the spirit of the Group. We regard our employees as important resources; working confidently, we all are one, heart to heart, with the spirit to unite those who are like-minded to create high-performance and share the fruitful results, while creating new business territory to achieve the Company's culture and business concept so that both the Company and the employees are better than ever. We strive to strengthen corporate governance mechanism, fulfilling corporate social responsibility, implement fair treatment on customers, improve the core capital and risk bearing capacity of the Company, so as to generate shareholder's value as the foundation of our sustainable operation. That is all for the Company's colleagues to work hard to follow the business policy;

## II. Implementation Overview and Results

The 2019 annual insurance premiums for the property and casualty insurance market were NT\$176.39 billion, an increase of NT\$11.53 billion, or 6.99%, from the NT\$164.86 billion in the fiscal year 2018. In consideration of the risk management and improvement in underwriting performance, the Company adopts a sound and conservative operational policy and does not undertake high-risk business because of the pursuit of premium market share. The premium income from the Company's insurance was NT\$9.833 billion in 2019, increased from NT\$9.826 billion in 2019. The market ranked 6th with a market share of 5.6%.

In recent years, the Company's underwriting performance in personal insurance business has grown steadily, the underwriting capacity and reinsurance arrangement in the commercial insurance business have also made progress with good liquidity structure and appropriate asset allocation. The overall operational performance has improved year by year. Taiwan Ratings recognized the Company as having strong capital and profitability. The Company continued to receive ratings of "A-/stable" and "twAA/stable" from Standard & Poor's (S&P) and Taiwan Ratings, respectively. And the rating outlook was "stable." AM Best recognizes the Company's performance by awarding Level (excellent) Financial Strength Rating (FSR) and "A-level" to the Company. The outlook for the above credit rating (referred to as "rating") is stable.

## III. Operating Revenue

### (I) Operating revenue

The premium income from the year of 2019 was stable and the amount of premiums earned from retained maturity was NT\$7,039 million, representing an increase of 2.7% and NT\$183 million from NT\$6,856 million in 2018. The Company's total net investment revenue was NT\$435 million, representing an increase of 113.2% and NT\$231 million from NT\$204 million in 2018. Overall operating revenue reached a new high with an amount of NT\$8,082 million, representing an increase of 4.9% and NT\$374 million from NT\$7,708 million of 2018.

## **(II) Operating expenses**

In 2019, the self-remaining loss rate was 53.9%. Total operating costs amounted to NT\$5,352 million, representing an increase of NT\$188 million and increase of 3.6% from NT\$5,164 million in 2018. The operating expenses were NT\$2,044 million, representing an increase of NT\$91 million and an increase of 4.6% from NT\$1,953 million in 2018.

## **IV. Profitability Analysis**

The performance of investment revenue broke the historical record. The combined ratio is 96.9%. The net profit before tax was NT\$700 million, representing an increase of NT\$75 million and 12% from NT\$625 million in 2019. The net profit after tax was NT\$703, representing an increase of NT\$100 million and 16.5% from NT\$603 million. Earnings per share after tax was NT\$3.3; shareholders' equity increased to NT\$5,418 million from NT\$4,861 million, representing a high increase of 12%. Net Worth per share increased to NT\$25.44.

## **V. Research and Development**

In response to the multiple emerging risks, the Company has been actively promoting the automobile-related insurance, pet insurance, unmanned aircraft insurance, mobile device (cell phone, tablet, wearable device, etc.) insurance and cybersecurity insurance to transfer the policyholders' risk. In the past few years, due to the environmental damage caused by climate change, the Company is also committed to designing green energy-related insurance products, including additional terms for green energy environmental protection car insurance, additional terms for residential green energy upgrade, bicycle injury insurance in order to make every effort for environmental sustainability.

To improve operational efficiency and strengthen customer service, the Company's information core system and B2B and B2C operation platform reconstruction projects are still continuing. About the challenges and changes that the International Accounting Standards IFRS17 "Insurance Contracts" will soon bring to the insurance industry, the Company has set up an ad hoc group to conduct research, and re-examine the innovate existing internal data, systems and processes. All people in the Company will work together to accomplish this difficult task.

In response to the increasingly fierce market competition and highly developed network, the Company continues to promote Fintech (financial technology), including promoting online insurance business and providing multiple communication channels, establishing Facebook fan group, App, Line@, introducing new technology to the Company for transformation. In addition, the Company combines multiple resources to provide excellent service quality for customers. Strengthening customer trust and interaction to replace price competition, we are committed to practice the Company's social responsibility, and continue to build the Company to become the most trusted insurance company for customers.

# Attachment II

## Independent Auditors' Report

To the Board of Directors of Union Insurance Co., LTD.:

### Opinion

We have audited the financial statements of Union Insurance Co., LTD.( "the Company" ), which comprise the balance sheets as of December 31, 2019 and 2018, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Assessment of insurance liability

Please refer to Note 4(q) "Insurance liability" for the related accounting policy, Note 5(a) for accounting assumptions and estimation uncertainty of insurance liability, and Note 6(p) for details of the assessment of insurance liability.

#### Description of key audit matter:

The Company measures insurance liabilities in accordance with "Regulations Governing the Provision of Various Reserves" and relevant administrative rules, of which the judgment of future uncertainty and related hypothetical parameters include claim development factor and expected claim rate used in estimating the claim reserve, as well as the reserve of unearned premium is based on the calculated factors according to characteristics of each insurance type. Above mentioned assessment is involved the exercise of significant professional judgments. Therefore, the valuation of insurance liabilities has been identified as a key audit matter in our audit.

## **Attachment II (Continued)**

How the matter was addressed in our audit:

Our principal audit procedures included: engaging our internal actuarial specialists to perform relevant audit procedures over insurance liability, inspecting whether the methods and parameters of insurance liabilities are in accordance with insurance related regulations and administrative rules and relevant practical principles set by the Actuarial Institute of the Republic of China; independently establishing models to recalculate the amount of reserves and further comparing the result of recalculation with the one provided by the management; the appropriateness of actuarial assumptions based on internal data or industry experiences with the characteristics of insurance products, performing the changes of insurance liabilities analysis, including understanding of industry and market, and evaluating the rationality of actuarial assumption adopted by the management.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Attachment II (Continued)

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Feng-Hui Lee and Tan-Tan Chung.

KPMG

Taipei, Taiwan (Republic of China)  
March 20, 2020

### Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

## **Attachment II (Continued)**

### **Representation Letter**

The entities that are required to be included in the combined financial statements of Union Insurance Co., LTD. as of and for the year ended December 31, 2019 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Union Insurance Co., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Union Insurance Co., LTD.

Chairman: HUNG, CHI-HSIUNG

Date: March 20, 2020

## Attachment II (Continued)

### Independent Auditors' Report

To the Board of Directors of Union Insurance Co., LTD.:

#### Opinion

We have audited the consolidated financial statements of Union Insurance Co., LTD. and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the International Financial Reporting Standards ( "IFRSs" ), International Accounting Standards ( "IASs" ), Interpretations developed by the International Financial Reporting Interpretations Committee ( "IFRIC" ) or the former Standing Interpretations Committee ( "SIC" ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



## Attachment II (Continued)

### Assessment of insurance liability

Please refer to Note 4(q) “Insurance liability” for the related accounting policy, Note 5(a) for accounting assumptions and estimation uncertainty of insurance liability, and Note 6(o) for details of the assessment of insurance liability.

### Description of key audit matter:

The Group measures insurance liabilities in accordance with “Regulations Governing the Provision of Various Reserves” and relevant administrative rules, of which the judgment of future uncertainty and related hypothetical parameters include claim development factor and expected claim rate used in estimating the claim reserve, as well as the reserve of unearned premium is based on the calculated factors according to characteristics of each insurance type. Above mentioned assessment is involved the exercise of significant professional judgments. Therefore, the valuation of insurance liabilities has been identified as a key audit matter in our audit.

### How the matter was addressed in our audit:

Our principal audit procedures included: engaging our internal actuarial specialists to perform relevant audit procedures over insurance liability, inspecting whether the methods and parameters of insurance liabilities are in accordance with insurance related regulations and administrative rules and relevant practical principles set by the Actuarial Institute of the Republic of China; independently establishing models to recalculate the amount of reserves and further comparing the result of recalculation with the one provided by the management; the appropriateness of actuarial assumptions based on internal data or industry experiences with the characteristics of insurance products, performing the changes of insurance liabilities analysis, including understanding of industry and market, and evaluating the rationality of actuarial assumption adopted by the management.

### Other Matter

The Group has prepared its parent-company-only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

## **Attachment II (Continued)**

### **Auditor' s Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Attachment II (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Feng-Hui Lee and Tan-Tan Chung.

KPMG

Taipei, Taiwan (Republic of China)  
March 20, 2020

### Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

### Attachment III

(English Translation of Financial Statements Originally Issued in Chinese)  
**UNION INSURANCE CO., LTD.**  
**Balance Sheets**  
**December 31, 2019 and 2018**  
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2019		December 31, 2018				December 31, 2019		December 31, 2018	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
11000	Cash and cash equivalents(note 6(a))	\$ 2,117,261	12	2,268,129	13	21000	Accounts payable(note 6(b) and (e))	\$ 1,283,230	7	1,209,944	7
12000	Receivables(note 6(b))	858,220	5	888,537	5	21700	Current tax liabilities	3,166	-	13,914	-
12600	Current tax assets	77	-	5,395	-	24000	Insurance liabilities(note 6(p))	10,404,545	59	10,899,072	63
13000	Assets classified as held for sale(note 6(g))	39,080	-	-	-	27000	Provisions(note 6(n))	233,432	1	275,649	2
14110	Financial assets at fair value through profit or loss(note 6(f))	1,619,258	9	653,974	4	23800	Lease liabilities(note 6(l))	19,679	-	-	-
14190	Financial assets at fair value through other comprehensive income(note 6(f))	1,860,294	11	987,120	6	28000	Deferred tax liabilities(note 6(q))	63,920	-	63,920	-
14145	Financial assets at amortized cost(note 6(f))	1,437,951	8	1,239,344	7	25000	Other liabilities	108,175	2	40,652	-
14150	Investments accounted for using equity method, net(note 6(h))	-	-	38,794	-		<b>Total liabilities</b>	<b>12,116,147</b>	<b>69</b>	<b>12,503,151</b>	<b>72</b>
14180	Other financial assets, net(note 6(f))	2,587,570	15	4,027,034	23		<b>Equity</b>				
16700	Right-of-use assets(note 6(k))	19,584	-	-	-	31100	Ordinary share(note 6(r))	2,129,600	12	2,129,600	12
14200	Investment property, net(note 6(i))	839,087	5	846,807	5	33100	Legal reserve(note 6(r))	577,284	3	456,160	3
15000	Reinsurance assets(note 6(c))	4,149,186	24	4,510,868	26	33200	Special reserve(note 6(p) and (r))	2,038,341	12	1,764,966	10
16000	Property and equipment(note 6(j))	1,127,260	6	1,037,396	6	33300	Unappropriated retained earnings(note 6(r))	549,288	3	431,190	3
17000	Intangible assets	133,831	1	134,484	1	34100	Exchange differences on translation of foreign financial statements	-	-	668	-
18000	Other assets	745,329	4	703,077	4	34210	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	120,375	1	55,224	-
						34700	Equity related to assets (or disposal groups) classified as held for sale (note 6(g))	2,953	-	-	-
							<b>Total equity</b>	<b>5,417,841</b>	<b>31</b>	<b>4,837,808</b>	<b>28</b>
<b>Total assets</b>		<b>\$ 17,533,988</b>	<b>100</b>	<b>17,340,959</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 17,533,988</b>	<b>100</b>	<b>17,340,959</b>	<b>100</b>

# Attachment III (Continued)

(English Translation of Financial Statements Originally Issued in Chinese)

## UNION INSURANCE CO., LTD.

### Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2019		2018		Change %	
	Amount	%	Amount	%		
41000	<b>Operating revenues:</b>					
41110	Written premium	\$ 9,833,305	122	9,825,722	128	-
41120	Reinsurance premium	400,459	5	412,541	5	(3)
41100	Premium	10,233,764	127	10,238,263	133	
51100	Less: Reinsurance expense	3,231,917	40	3,216,960	42	-
51310	Net change in unearned premiums reserve	(32,853)	-	169,992	2	(119)
41130	Retained earned premium	7,034,700	87	6,851,311	89	
41300	Reinsurance commission received	586,449	7	613,076	8	(4)
41500	Net income(loss) from investments					
41510	Interest income	89,255	1	76,978	1	16
41521	Gains on financial assets or liabilities at fair value through profit or loss	253,965	3	60,207	1	322
41527	Realized gains (losses) on financial assets at fair value through other comprehensive income	48,037	1	25,930	-	85
41540	Share of loss of associates and joint ventures accounted for using equity method(note 6(h))	(1,999)	-	(3,878)	-	48
41550	Foreign exchange gains (losses), investments	(827)	-	(779)	-	(6)
41570	Gains (losses) on investment property	45,120	1	46,756	1	(3)
41585	Expected credit losses or reversal of expected credit losses of investments(note 6(f))	(288)	-	44	-	(755)
41800	Other operating income	11,586	-	26,045	-	(56)
	<b>Operating revenue, net</b>	<b>8,065,998</b>	<b>100</b>	<b>7,695,690</b>	<b>100</b>	
51000	<b>Operating costs:</b>					
51200	Insurance claim payment	6,014,604	75	5,268,064	68	14
41200	Less: Claims recovered from reinsurers	2,115,782	26	1,728,553	22	22
51260	Retained claim payment	3,898,822	49	3,539,511	46	
51300	Net change in other insurance liability(note 6(p))					
51320	Net change in claim reserve	(104,753)	(1)	63,915	1	(264)
51340	Net change in special claim reserve	(23,009)	1	(2,775)	-	(729)
51350	Net change in premium deficiency reserve	(4,314)	-	4,314	-	(200)
51500	Commission expense	1,537,730	19	1,515,268	20	1
51800	Other operating costs	39,386	-	37,966	-	4
51700	Finance costs	2,168	-	2,095	-	3
	<b>Total operating costs</b>	<b>5,346,030</b>	<b>68</b>	<b>5,160,294</b>	<b>67</b>	
58000	<b>Operating expenses:</b>					
58100	General expenses	1,575,227	20	1,585,686	21	(1)
58200	Administrative expenses	410,054	5	345,247	4	19
58300	Staff training expenses	3,994	-	1,441	-	177
58400	Expected credit losses or reversal of expected credit losses of non-investments	43,272	1	10,345	-	318
	<b>Total operating expenses</b>	<b>2,032,547</b>	<b>26</b>	<b>1,942,719</b>	<b>25</b>	
	<b>Net operating income</b>	<b>687,421</b>	<b>6</b>	<b>592,677</b>	<b>8</b>	<b>16</b>
59000	<b>Non-operating income and expenses:</b>					
59100	Gains (losses) on disposals of property and equipment	-	-	2	-	(100)
59900	Other non-operating income and expenses, net	13,930	-	34,067	-	(59)
	<b>Total non-operating income and expenses</b>	<b>13,930</b>	<b>-</b>	<b>34,069</b>	<b>-</b>	<b>-</b>
62000	<b>Profit from continuing operations before tax</b>	<b>701,351</b>	<b>6</b>	<b>626,746</b>	<b>8</b>	
63000	Less: Income tax expenses (profits)(note 6(q))	(2,431)	-	21,126	-	
	<b>Profit</b>	<b>703,782</b>	<b>6</b>	<b>605,620</b>	<b>8</b>	<b>16</b>
83000	<b>Other comprehensive income:</b>					
83100	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
83110	Gains (losses) on remeasurements of defined benefit plans(note 6(n))	(19,579)	-	(30,600)	-	36
83190	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	85,209	1	84,825	1	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<b>65,630</b>	<b>1</b>	<b>54,225</b>	<b>1</b>	<b>36</b>
83200	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
83210	Exchange differences on translation of foreign financial statements	(668)	-	1,532	-	(144)
83260	Equity related to assets (or disposal groups) classified as held for sale	2,953	-	-	-	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<b>2,285</b>	<b>-</b>	<b>1,532</b>	<b>-</b>	<b>49</b>
83000	<b>Other comprehensive income (after tax)</b>	<b>67,915</b>	<b>1</b>	<b>55,757</b>	<b>1</b>	<b>22</b>
	<b>Total comprehensive income</b>	<b>\$ 771,697</b>	<b>7</b>	<b>\$ 661,377</b>	<b>9</b>	
97500	<b>Basic earnings per share(note 6(s))</b>		<b>3.30</b>		<b>2.84</b>	
98500	<b>Diluted earnings per share(note 6(s))</b>		<b>3.29</b>		<b>2.84</b>	

Attachment III (Continued)

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Other equity				Total equity
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Equity related to assets (or disposal groups) classified as held for sale		
<b>Balance at January 1, 2018</b>	\$ 2,129,600	328,895	1,495,014	347,153	(864)	-	14,608	-	4,314,406	
Effects of retrospective application	-	-	-	(45,650)	-	71,355	(14,608)	-	11,097	
Equity at beginning of period after adjustments	2,129,600	328,895	1,495,014	301,503	(864)	71,355	-	-	4,325,503	
Profit	-	-	-	605,620	-	-	-	-	605,620	
Other comprehensive income	-	-	-	(30,600)	1,532	84,825	-	-	55,757	
Total comprehensive income	-	-	-	575,020	1,532	84,825	-	-	661,377	
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	127,265	-	(127,265)	-	-	-	-	-	
Special reserve appropriated	-	-	269,952	(269,952)	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(149,072)	-	-	-	-	(149,072)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	100,956	-	(100,956)	-	-	-	
Balance at December 31, 2018	2,129,600	456,160	1,764,966	431,190	668	55,224	-	-	4,837,808	
Profit	-	-	-	703,782	-	-	-	-	703,782	
Other comprehensive income	-	-	-	(19,579)	(668)	85,209	-	2,953	67,915	
Total comprehensive income	-	-	-	684,203	(668)	85,209	-	2,953	771,697	
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	121,124	-	(121,124)	-	-	-	-	-	
Special reserve appropriated	-	-	273,375	(273,375)	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(191,664)	-	-	-	-	(191,664)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	20,058	-	(20,058)	-	-	-	
<b>Balance at December 31, 2019</b>	<b>\$ 2,129,600</b>	<b>577,284</b>	<b>2,038,341</b>	<b>549,288</b>	<b>-</b>	<b>120,375</b>	<b>-</b>	<b>2,953</b>	<b>5,417,841</b>	

## Attachment III (Continued)

(English Translation of Financial Statements Originally Issued in Chinese)

### UNION INSURANCE CO., LTD.

#### Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2019	2018
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 701,351	626,746
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	55,523	38,397
Amortization expense	16,498	12,816
Interest expense	2,168	2,095
Interest income	(89,255)	(76,978)
Net change in insurance liabilities	(483,076)	630,174
Net change in other provisions	(61,796)	(9,101)
Expected credit loss (Reversal of credit loss) of investments	288	(44)
Expected credit loss of non-investments	43,272	10,345
Share of loss of subsidiaries accounted for using equity method	1,999	3,878
Loss (gain) on disposal of property and equipment	-	(2)
<b>Total adjustments to reconcile profit (loss)</b>	<u>(514,379)</u>	<u>611,580</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes receivable	45,160	(52,529)
Decrease (increase) in premiums receivable	10,433	(123,489)
Increase in other receivable	(29,069)	(3,972)
(Increase) decrease in financial assets at fair value through profit or loss	(965,284)	1,184,302
(Increase) decrease in financial assets at fair value through other comprehensive income	(787,965)	100,028
Increase in financial assets at amortized cost	(199,454)	(265,414)
Decrease (increase) in other financial assets	1,439,464	(1,906,515)
Decrease (increase) in reinsurance assets	323,785	(359,061)
(Increase) decrease in other assets	(50,574)	98,083
<b>Total changes in operating assets</b>	<u>(213,504)</u>	<u>(1,328,567)</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in other payable	73,286	(44,221)
Increase (decrease) in other liabilities	67,523	(11,018)
<b>Total changes in operating liabilities</b>	<u>140,809</u>	<u>(55,239)</u>
Cash inflow (outflow) generated from operations	114,277	(145,480)
Interest received	87,673	69,643
Interest paid	(2,168)	(2,095)
Income taxes refund (paid)	(2,999)	4,083
<b>Net Cash flows used in (from) operating activities</b>	<u>196,783</u>	<u>(73,849)</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property and equipment	(120,801)	(68,319)
Proceeds from disposal of property and equipment	-	3
Acquisition of intangible assets	(18,738)	(25,327)
Acquisition of investment properties	-	(471)
<b>Net cash flows from (used in) investing activities</b>	<u>(139,539)</u>	<u>(94,114)</u>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(16,448)	-
Cash dividends paid	(191,664)	(149,072)
<b>Net cash flows from (used in) financing activities</b>	<u>(208,112)</u>	<u>(149,072)</u>
<b>Net decrease in cash and cash equivalents</b>	(150,868)	(317,035)
<b>Cash and cash equivalents at beginning of period</b>	2,268,129	2,585,164
<b>Cash and cash equivalents at end of period</b>	<u>\$ 2,117,261</u>	<u>2,268,129</u>

## Attachment III (Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
UNION INSURANCE CO., LTD. AND SUBSIDIARIES

### Consolidated Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2019		December 31, 2018		Liabilities and Equity		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%			Amount	%	Amount	%
11000	Cash and cash equivalents(note 6(a))	\$ 2,117,261	12	2,272,302	13	21000	Accounts payable(note 6(b) and (e))	\$ 1,283,228	7	1,225,216	7
12000	Receivables(note 6(b))	858,220	5	892,354	5	21700	Current tax liabilities	3,166	-	13,914	-
12600	Current tax assets	77	-	5,395	-	22000	Liabilities related to assets classified as held for sale(note 6(g))	27,071	-	-	-
13000	Assets classified as held for sale(note 6(g))	89,711	-	-	-	24000	Insurance liabilities(note 6(o))	10,404,545	59	10,912,538	63
14110	Financial assets at fair value through profit or loss(note 6(f))	1,619,258	9	662,519	4	27000	Provisions(note 6(m))	233,432	1	276,404	2
14190	Financial assets at fair value through other comprehensive income(note 6(f))	1,860,294	11	987,120	6	23800	Lease liabilities(note 6(k))	19,679	-	-	-
14145	Financial assets at amortized cost(note 6(f))	1,437,951	8	1,239,344	7	28000	Deferred tax liabilities(note 6(p))	63,920	1	63,929	-
14180	Other financial assets, net(note 6(f))	2,587,570	15	4,063,814	23	25000	Other liabilities	108,175	1	40,917	-
16700	Right-of-use assets(note 6(j))	19,584	-	-	-		<b>Total liabilities</b>	<b>12,143,216</b>	<b>69</b>	<b>12,532,918</b>	<b>72</b>
14200	Investment property, net(note 6(h))	839,087	5	847,200	5		<b>Equity</b>				
15000	Reinsurance assets(note 6(c))	4,149,186	24	4,527,713	26	31100	Ordinary share(note 6(q))	2,129,600	12	2,129,600	12
16000	Property and equipment (note 6(i))	1,127,260	6	1,038,298	6	33100	Legal reserve(note 6(q))	577,284	3	456,160	3
17000	Intangible assets	133,831	1	134,610	1	33200	Special reserve(note 6(o) and (q))	2,038,341	12	1,764,966	10
17800	Deferred tax assets	-	-	554	-	33300	Unappropriated retained earnings(note 6(q))	549,288	3	431,190	3
18000	Other assets	745,329	4	722,892	4	34100	Exchange differences on translation of foreign financial statements	-	-	668	-
						34210	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	120,375	1	55,224	-
						34700	Equity related to assets (or disposal groups) classified as held for sale(note 6(g))	2,953	-	-	-
							<b>Total equity attributable to owners of parent:</b>	<b>5,417,841</b>	<b>31</b>	<b>4,837,808</b>	<b>28</b>
						36000	Non-controlling interests	23,562	-	23,389	-
							<b>Total equity</b>	<b>5,441,403</b>	<b>31</b>	<b>4,861,197</b>	<b>28</b>
							<b>Total liabilities and equity</b>	<b>\$ 17,584,619</b>	<b>100</b>	<b>17,394,115</b>	<b>100</b>
	<b>Total assets</b>	<b>\$ 17,584,619</b>	<b>100</b>	<b>17,394,115</b>	<b>100</b>						



# Attachment III (Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## UNION INSURANCE CO., LTD. AND SUBSIDIARIES

### Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2019		2018		Change %
	Amount	%	Amount	%	
41000	<b>Operating revenue:</b>				
41110	\$ 9,860,309	122	9,848,073	128	-
41120	400,657	5	412,798	5	(3)
41100	10,260,966	127	10,260,871	133	
51100	3,253,567	40	3,235,650	42	1
51310	(31,813)	-	169,107	2	(119)
41130	7,039,212	87	6,856,114	89	
41300	595,712	7	621,738	8	(4)
41500					
41510	90,082	1	77,748	1	16
41521	252,503	3	53,326	1	374
41527	48,037	1	25,930	-	85
41550	(827)	-	(779)	-	(6)
41570	45,924	1	47,510	1	(3)
41585	(288)	-	44	-	(755)
41800	11,586	-	26,045	-	(56)
	<b>8,081,941</b>	<b>100</b>	<b>7,707,676</b>	<b>100</b>	
51000	<b>Operating costs:</b>				
51200	6,016,939	74	5,272,926	68	14
41200	2,117,717	26	1,732,404	22	22
51260	3,899,222	48	3,540,522	46	
51300					
51320	(105,068)	(1)	61,467	1	(271)
51340	(23,009)	-	(2,775)	-	(729)
51350	(4,360)	-	4,357	-	(200)
51500	1,543,544	19	1,519,919	20	2
51800	39,455	-	38,022	-	4
51700	2,168	-	2,095	-	3
	<b>5,351,952</b>	<b>66</b>	<b>5,163,607</b>	<b>67</b>	
58000	<b>Operating expenses:</b>				
58100	1,575,351	19	1,585,799	20	(1)
58200	421,030	5	355,499	5	18
58300	4,010	-	1,441	-	178
58400	43,272	1	10,345	-	318
	<b>2,043,663</b>	<b>25</b>	<b>1,953,084</b>	<b>25</b>	
	<b>686,326</b>	<b>9</b>	<b>590,985</b>	<b>8</b>	<b>16</b>
59000	<b>Non-operating income and expenses:</b>				
59100	-	-	2	-	(100)
59400	(5)	-	-	-	-
59900	13,933	-	34,108	-	(59)
	<b>13,928</b>	<b>-</b>	<b>34,110</b>	<b>-</b>	<b>-</b>
62000	700,254	9	625,095	8	12
63000	(2,323)	-	21,813	-	(111)
	<b>702,577</b>	<b>9</b>	<b>603,282</b>	<b>8</b>	<b>16</b>
83000	<b>Other comprehensive income:</b>				
83100	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
83110	(19,579)	-	(30,600)	-	36
83190	85,209	1	84,825	1	-
	<b>65,630</b>	<b>1</b>	<b>54,225</b>	<b>1</b>	<b>36</b>
83200	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
83210	710	-	2,455	-	(71)
83260	2,953	-	-	-	-
	<b>3,663</b>	<b>-</b>	<b>2,455</b>	<b>-</b>	<b>49</b>
83000	69,293	1	56,680	1	22
	<b>\$ 771,870</b>	<b>10</b>	<b>659,962</b>	<b>9</b>	<b>17</b>
	<b>Profit, attributable to:</b>				
	\$ 703,782	9	605,620	8	16
	(1,205)	-	(2,338)	-	48
	<b>\$ 702,577</b>	<b>9</b>	<b>603,282</b>	<b>8</b>	
	<b>Comprehensive income attributable to:</b>				
	\$ 771,697	10	661,377	9	17
	173	-	(1,415)	-	112
	<b>\$ 771,870</b>	<b>10</b>	<b>659,962</b>	<b>9</b>	
97500	<b>Basic earnings per share(note 6(r))</b>				
	<b>\$ 3.30</b>		<b>2.84</b>		
98500	<b>Diluted earnings per share(note 6(r))</b>				
	<b>\$ 3.29</b>		<b>2.84</b>		

Attachment III (Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Share capital	Retained earnings			Other equity							
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Equity related to assets (or disposal groups) classified as held for sale	Total equity attributable to owners of parent			
<b>Balance at January 1, 2018</b>	\$ 2,129,600	328,895	1,495,014	347,153	(864)	-	14,608	-	4,314,406	24,804	4,339,210	
Effects of retrospective application	-	-	-	(45,650)	-	71,355	(14,608)	-	11,097	-	11,097	
Equity at beginning of period after adjustments	2,129,600	328,895	1,495,014	301,503	(864)	71,355	-	-	4,325,503	24,804	4,350,307	
Profit	-	-	-	605,620	-	-	-	-	605,620	(2,338)	603,282	
Other comprehensive income	-	-	-	(30,600)	1,532	84,825	-	-	55,757	923	56,680	
Total comprehensive income	-	-	-	575,020	1,532	84,825	-	-	661,377	(1,415)	659,962	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	127,265	-	(127,265)	-	-	-	-	-	-	-	
Special reserve appropriated	-	-	269,952	(269,952)	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(149,072)	-	-	-	-	(149,072)	-	(149,072)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	100,956	-	(100,956)	-	-	-	-	-	
Balance at December 31, 2018	2,129,600	456,160	1,764,966	431,190	668	55,224	-	-	4,837,808	23,389	4,861,197	
Profit	-	-	-	703,782	-	-	-	-	703,782	(1,205)	702,577	
Other comprehensive income	-	-	-	(19,579)	(668)	85,209	-	2,953	67,915	1,378	69,293	
Total comprehensive income	-	-	-	684,203	(668)	85,209	-	2,953	771,697	173	771,870	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	121,124	-	(121,124)	-	-	-	-	-	-	-	
Special reserve appropriated	-	-	273,375	(273,375)	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(191,664)	-	-	-	-	(191,664)	-	(191,664)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	20,058	-	(20,058)	-	-	-	-	-	
<b>Balance at December 31, 2019</b>	<b>\$ 2,129,600</b>	<b>577,284</b>	<b>2,038,341</b>	<b>549,288</b>	<b>-</b>	<b>120,375</b>	<b>-</b>	<b>2,953</b>	<b>5,417,841</b>	<b>23,562</b>	<b>5,441,403</b>	

## Attachment III (Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

### UNION INSURANCE CO., LTD. AND SUBSIDIARIES

#### Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2019	2018
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 700,254	625,095
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	55,715	38,579
Amortization expense	16,532	12,847
Interest expense	2,168	2,095
Interest income	(90,082)	(77,748)
Net change in insurance liabilities	(484,100)	620,872
Net change in other provisions	(61,807)	(8,735)
Expected credit loss (Reversal of credit loss) of investments	288	(44)
Expected credit loss of non-investments	43,272	10,345
Loss (gain) on disposal of property and equipment	5	(2)
<b>Total adjustments to reconcile profit (loss)</b>	<u>(518,009)</u>	<u>598,209</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes receivable	45,179	(52,548)
Decrease (increase) in premiums receivable	11,297	(121,969)
Increase in other receivable	(28,602)	(4,063)
(Increase) decrease in financial assets at fair value through profit or loss	(964,175)	1,193,689
(Increase) decrease in financial assets at fair value through other comprehensive income	(787,965)	100,028
Increase in financial assets at amortized cost	(199,454)	(265,414)
Decrease (increase) in other financial assets	1,415,656	(1,907,966)
Decrease (increase) in reinsurance assets	328,591	(352,658)
(Increase) decrease in other assets	(31,055)	97,362
<b>Total changes in operating assets</b>	<u>(210,528)</u>	<u>(1,313,539)</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in other payable	71,536	(46,661)
Increase (decrease) in other liabilities	67,543	(10,898)
<b>Total changes in operating liabilities</b>	<u>139,079</u>	<u>(57,559)</u>
Cash inflow (outflow) generated from operations	110,796	(147,794)
Interest received	88,574	70,605
Interest paid	(2,168)	(2,095)
Income taxes refund (paid)	(2,999)	4,083
<b>Net Cash flows used in (from) operating activities</b>	<u>194,203</u>	<u>(75,201)</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property and equipment	(120,837)	(68,342)
Proceeds from disposal of property and equipment	-	3
Acquisition of intangible assets	(18,738)	(25,327)
Acquisition of investment properties	-	(471)
<b>Net cash flows from (used in) investing activities</b>	<u>(139,575)</u>	<u>(94,137)</u>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(16,448)	-
Cash dividends paid	(191,664)	(149,072)
<b>Net cash flows from (used in) financing activities</b>	<u>(208,112)</u>	<u>(149,072)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	3,550	2,363
<b>Net decrease in cash and cash equivalents</b>	(149,934)	(316,047)
<b>Cash and cash equivalents at beginning of period</b>	2,272,302	2,588,349
<b>Cash and cash equivalents at end of period</b>	<u>\$ 2,122,368</u>	<u>2,272,302</u>
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents reported in the statement of financial position	\$ 2,117,261	2,272,302
Reclassification to assets held for sale	5,107	-
<b>Cash and cash equivalents at end of period</b>	<u>\$ 2,122,368</u>	<u>2,272,302</u>

## **Attachment IV**

Union Insurance Co., Ltd.

### 2019 Audit Committee's Review Report

The Board of Directors has submitted the Company's 2019 consolidated and individual financial statements that have been audited by the CPA Li Feng-Hui and CPA Chung Dan-Dan of CPA Firm KPMG to the Audit Committee to review. It has been reviewed by the Supervisors and it is considered that there is no disagreement. Therefore, the Audit Committee has prepared the report pursuant to Article 219 of the Company Act.

Sincerely,

Union Insurance Co., Ltd.

Convener of the Audit Committee

March 30, 2020

## Attachment V

### Union Insurance Co., Ltd.

#### Comparison Table of the Amendment to the "Procedures of the Company's Funds in Special Projects, Public Utilities and Social Welfare Enterprises"

Articles amended	Current articles	Explanation
<p>Article 2 Use of the Company's funds for special projects shall be restricted to investments in or extension of loans for the following projects:</p> <p>I. Emerging and key strategic projects or venture investment projects approved by the government.</p> <p>II. Industrial zone or regional development projects approved by the government.</p> <p>III. Purchase of houses by the houseless.</p> <p>IV. Cultural and educational conservation and construction.</p> <p>V. Funeral facilities not distributed as public utilities listed in Article 3.</p> <p>VI. Other use in line with the government policies.</p> <p>The Company shall handle the lending business guaranteed by the foreign central government, the credit guarantee institution established by the foreign central government or credit guarantee institutions announced by OECD (hereafter refer to as credit guarantee institution), and shall serve as the participation limit of the joint loan case, and meet the following conditions, and the other is to cooperate with the government as mentioned in the subparagraph 6 of the preceding paragraph. Policy funding project:</p> <p>I. The purpose of the loan object for the application of the loan is to invest in matters in the first paragraph of the Order No. 10610908021 issued by the Financial Supervisory Commission (FSC) on March 21, 2017.</p>	<p>Article 2 Use of the Company's funds for special projects shall be restricted to investments in or extension of loans for the following projects:</p> <p>I. Emerging and key strategic projects or venture investment projects approved by the government.</p> <p>II. Industrial zone or regional development projects approved by the government.</p> <p>III. Purchase of houses by the houseless.</p> <p>IV. Cultural and educational conservation and construction.</p> <p>V. Funeral facilities not distributed as public utilities listed in Article 3.</p> <p>VI. Other use in line with the government policies.</p> <p>The Company shall handle the lending business guaranteed by the credit guarantee institution established by the foreign central government, and shall serve as the participation limit of the joint loan case, and meet the following conditions, and the other is to cooperate with the government as mentioned in the subparagraph 6 of the preceding paragraph. Policy funding project:</p> <p>I. The purpose of the loan object for the application of the loan is to invest in matters in the first paragraph of the Order No. 10610908021 issued by the Financial Supervisory Commission (FSC) on March 21, 2017.</p> <p>II. The Company shall assess</p>	<p>To amend the Article pursuant to the Order No. 10804362571 issued by the Financial Supervisory Commission (FSC) on November 18, 2019.</p> <p>To add the items in Article 2 and 9.</p>

Articles amended	Current articles	Explanation
<p>II. The Company shall assess whether the financial status of the credit guarantee institution is sufficient to pay the secured debts and set a limit on its risk exposure to implementing risk control according to the country/institution respectively.</p> <p>III. With formal guarantee documents, the credit guarantee institution may directly request to perform the guarantee responsibility when the debtor fails to perform the debt.</p> <p>IV. The guarantee liability of the credit guarantee institution shall be unconditional and irrevocable until the full guarantee of the secured loan.</p>	<p>whether the financial status of the credit guarantee institution is sufficient to pay the secured debts and set a limit on its risk exposure to implement risk control.</p> <p>III. With formal guarantee documents, the credit guarantee institution may directly request to perform the guarantee responsibility when the debtor fails to perform the debt.</p> <p>IV. The guarantee liability of the credit guarantee institution shall be unconditional and irrevocable until the full guarantee of the secured loan.</p>	
<p>Article 6 The limits for an insurer engaging in investment on special projects, public utilities, and social welfare enterprises is set forth as follows:</p> <p>I. The total amount shall not exceed 10% of its total funds. The amount of loans stipulated in Paragraph 2, Article 2, shall be calculated in accordance with the provisions of the loan, and the amount of loans and investment in the same entity shall not exceed 5% of the Company's total funds.</p> <p>II. The total amount of the Company invested in one and the same entity shall not exceed 5% of its total funds except for the invested entity listed in Paragraph 2 of Article 5.</p> <p>III. The investment or contribution ratio of an insurer invested in the following entities shall be complied with:</p> <p>(I) Where the invested entity is a venture investment enterprise and the entity is</p>	<p>Article 6: The limits for an insurer engaging in investment on special projects, public utilities, and social welfare enterprises is set forth as follows:</p> <p>I. The total amount shall not exceed 10% of its total funds. The amount of loans stipulated in Paragraph 2, Article 2, shall be calculated in accordance with the provisions of the loan, and the amount of loans and investment in the same entity shall not exceed 5% of the Company's total funds.</p> <p>II. The total amount of the Company invested in one and the same entity shall not exceed 5% of its total funds except for the invested entity listed in Paragraph 2 of Article 5.</p> <p>III. The investment or contribution ratio of an insurer invested in the following entities shall be complied with:</p> <p>(I) Where the invested entity is a venture investment enterprise and the entity is</p>	<p>To amend the Article pursuant to the Order No. 10804963121 issued by the Financial Supervisory Commission (FSC) on December 31, 2019.</p>

Articles amended	Current articles	Explanation
<p>listed in Subparagraph 3 of Paragraph 2 of Article 5, such amount shall not exceed 25% of the paid-in capital or capital contribution actually paid off the invested entity.</p> <p>(II) Where the investment is made onto an enterprise with the items enumerated under Article 3 and 4, such amount shall not exceed 45% of the paid-in capital of the invested entity. The foregoing is not applied to the Company which is qualified with the following conditions and obtains the approval of the competent authority:</p> <ol style="list-style-type: none"> <li>1. The insurer's risk-based capital ratio as of the end of most recent period shall comply with Paragraph 1, Article 143-4 of the Act;</li> <li>2. The Company has set up Independent Directors and Audit Committee, and the investment shall be approved by the Board of Directors.</li> <li>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.</li> <li>4. The Company has not been subject to major sanction/penalty. However, this does not include violations that have been rectified and affirmed by the competent authority.</li> <li>5. Where this is not the first investment, any invested</li> </ol>	<p>listed in Subparagraph 3 of Paragraph 2 of Article 5, such amount shall not exceed 25% of the paid-in capital or capital contribution actually paid off the invested entity.</p> <p>(II) Where the investment is made onto an enterprise with the items enumerated under Article 3 and 4, such amount shall not exceed 45% of the paid-in capital of the invested entity. The foregoing is not applied to the Company which is qualified with the following conditions and obtains the approval of the competent authority:</p> <ol style="list-style-type: none"> <li>1. The insurer's risk-based capital ratio as of the end of most recent period shall comply with Paragraph 1, Article 143-4 of the Act;</li> <li>2. The Company has set up Independent Directors and Audit Committee, and the investment shall be approved by the Board of Directors.</li> <li>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.</li> <li>4. There have been no major sanctions or accumulated fines exceeding NT\$3 million 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.</li> </ol>	<p>Based on the consistency of the Supervision in Subparagraph 3 of Paragraph 1, amends "Shareholding Ratio" to "Paid-in Capital."</p> <p>Considering the amendment of Insurance Law in 2018 that increased the amount of fines for violations of the relevant provisions of this law, the second paragraph is added, and the definition of</p>

Articles amended	Current articles	Explanation
<p>entities with its shareholding ratio exceeding 45% shall show no accumulated losses in the financial report as of the end of the most recent period, except for the invested entity is the private institution regulated by the "Act for Promotion of Private Participation in Infrastructure Projects," the financial report of such invested entity shows no accumulated losses in the most recent period.</p> <p>(3) Except for the invested entity prescribed in the above two Items, such amount shall not exceed 10% of the paid-in capital or capital contribution actually paid off the invested entity.</p> <p>4. In case of securitization products issued by the Company at the contents set forth in Article 3 and 4 as the target, the Company 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.</p> <p>5. 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.</p> <p>Major Sanction/penalty as referred to in Item 2-4 of Subparagraph 3 of the preceding Paragraph and Item 1-5 of Subparagraph 2 of Paragraph 3 of Article 9 means major sanctions and penalties specified in Subparagraph 1 to Subparagraph 12 of Article 2 of the "Financial Supervisory Commission's Regulations on the Publication of Material Penalties for Violations of Finance Laws" or a fine of at least three times the minimum statutory</p>	<p>5. Where this is not the first investment, any invested entities with its shareholding ratio exceeding 45% shall show no accumulated losses in the financial report as of the end of the most recent period, except for the invested entity is the private institution regulated by the "Act for Promotion of Private Participation in Infrastructure Projects," the financial report of such invested entity shows no accumulated losses in the most recent period.</p> <p>(III) Except for the invested entity prescribed in the above two Items, such amount shall not exceed 10% of the paid-in capital or capital contribution actually paid off the invested entity.</p> <p>IV. In case of securitization products issued by the Company at the contents set forth in Article 3 and 4 as the target, the Company 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.</p> <p>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.</p>	<p>major sanction/penalty referred to in Article 6 and 9 of this regulation is clearly defined. In addition, paragraph 2 of the current provision is moved to paragraph 3.</p> <p>To strengthen the control mechanism for investing in venture capital businesses and avoid circumventing the relevant provisions of the Insurance Law by investing in venture capital businesses, Paragraph 4 and 5 are added to specify the relevant regulations that should be followed when investing in venture capital industries.</p>



Articles amended	Current articles	Explanation
<p>amount for a single violation specified in Subparagraph 13.</p> <p>Where, after the Company invests in an entity for special projects, public utilities and social welfare enterprises, the said entity is qualified to accept investments under Subparagraph 3 or 4 of Paragraph 1 of Article 146-1 of the Act, the investments in such entity shall be governed by the provisions of the said Subparagraph instead, provided that if the said investment exceeds such limits as are prescribed in Subparagraph 3 or 4 of Paragraph 1 of Article 146-1 of the 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 in the entity unless the additional investment is made to maintain the original equity share in the entity.</p> <p>Where the Company and its interested parties jointly invest in a venture investment enterprise as listed in Subparagraph 1 of Article 2 or Subparagraph 1, Paragraph 2 of Article 5 of the Regulations or take any methods to achieve controlling and subordinate relations with the same venture investment enterprise, the following regulations must be met:</p> <p>I. The Company may not take any direct or indirect methods via the venture investment enterprise to intervene in the business management and investment decisions of the same venture investment enterprise and its investees;</p> <p>II. The combined investments of the Company and the invested venture investment enterprise in a company stock whose public issuance is approved by law as prescribed in</p>	<p>Where, after the Company invests in an entity for special projects, public utilities and social welfare enterprises, the said entity is qualified to accept investments under Subparagraph 3 or 4 of Paragraph 1 of Article 146-1 of the Act, the investments in such entity shall be governed by the provisions of the said Subparagraph instead, provided that if the said investment exceeds such limits as are prescribed in Subparagraph 3 or 4 of Paragraph 1 of Article 146-1 of the 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 in the entity unless the additional investment is made to maintain the original equity share in the entity.</p>	

Articles amended	Current articles	Explanation
<p>Subparagraph 3, Paragraph 1 of Article 146-1 of the Act may not exceed the limit as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act.</p> <p>The Subparagraph 2 of the preceding Paragraph regarding the invested venture investment enterprise's investment in a company stock whose public issuance is approved by law as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act, which shall be combined calculation with the insurer's investment in the same company stock, is based on the insurer's investment or contribution ratio in the invested venture investment enterprise. Where the limit is exceeded, the Company shall comply with the following regulations before the condition is improved:</p> <p>I. The Company's shareholding in the aforementioned company stock may not be increased;</p> <p>II. The combined calculation of the insurer and the invested venture investment enterprise's shareholding in the aforementioned company stock may not be increased.</p>		
<p>Article 9: In any of the following circumstances, the Company may use its funds for a special project or public utilities or social welfare enterprises within the limit authorized by the board of directors without going through the application procedure, provided that the documents set forth in Paragraph 1 of the preceding Article shall be submitted to the competent authority for subsequent review:</p>	<p>Article 9: In any of the following circumstances, the Company may use its funds for a special project or public utilities or social welfare enterprises within the limit authorized by the board of directors without going through the application procedure, provided that the documents set forth in Paragraph 1 of the preceding Article shall be submitted to the competent authority for subsequent review:</p>	<p>For the amendment to Subparagraph 2 of Paragraph 1, the filing threshold for post-investment check is eased and</p>

Articles amended	Current articles	Explanation
<p>I. The Company 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.</p> <p>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 and the entity is listed in Subparagraph 3 of Paragraph 2 of Article 5, and the total amount that the insurer 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.</p> <p>III. The invested entity is not such an enterprise as is 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.</p> <p>IV. Other circumstances regulated by the competent authority.</p> <p>For the Company engaging in the investment set forth in preceding Paragraph, the risk-based capital ratio thereof should comply with the provisions of Paragraph 1 of Article 143-4 of the Act.</p> <p>If the invested entity is the entity regulated by the Act for PPP and the following investment amount and conditions are met, the insurer can invest in such entity without going through the application procedure, provided that the documents set forth in Paragraph 1 of the preceding Article shall be submitted to the competent authority for subsequent</p>	<p>I. The Company 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.</p> <p>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 and the entity is listed in Subparagraph 3 of Paragraph 2 of Article 5, and the total amount that the insurer 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.</p> <p>III. The invested entity is not such an enterprise as is 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.</p> <p>IV. Other circumstances regulated by the competent authority.</p> <p>For the Company engaging in the investment set forth in preceding Paragraph, the risk-based capital ratio thereof should comply with the provisions of Paragraph 1 of Article 143-4 of the Act.</p> <p>Except for the invested entity is a limited partnership enterprise, if the invested entity is the entity regulated by the "Act for Promotion of Private Participation in Infrastructure Projects" and the following investment amount and conditions are met, the insurer can</p>	<p>investments made by insurers in accordance with the Act for Promotion of Private Participation in Infrastructure Projects in which the private company is a limited partnership may file for post-investment check.</p>

Articles amended	Current articles	Explanation
<p>review:</p> <p>I. The total amount of investment in one and the same project of the Company is under NT\$1 billion and 10% of its owner's equity, and the following conditions are fulfilled:</p> <p>(I) The risk-based capital ratio of the Company in the most recent period shall comply with Paragraph 1, Article 143-4 of the Act.</p> <p>(II) The documents of the investment project prescribed in the preceding article have been submitted to and resolved and approved by the Board of Directors before the investment is made.</p> <p>II. The total amount of investment in one and the same project of the Company is under NT\$5 billion and 10% of its owner's equity, and the following conditions are fulfilled:</p> <p>(I) The financial conditions, corporate governance, and internal control of the insurer must fulfill the following conditions:</p> <ol style="list-style-type: none"> <li>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 insurer over the most recent two years are 250% at least.</li> <li>2. The documents of the investment project prescribed in preceding article have been submitted to the Board of Directors and resolved and approved by over half of the directors at the board meeting attended by over two-thirds of all directors before the investment is made.</li> </ol>	<p>invest in such entity without going through the application procedure, provided that the documents set forth in Paragraph 1 of the preceding Article shall be submitted to the competent authority for subsequent review:</p> <p>I. The total amount of investment in one and the same project of the Company is under NT\$1 billion and 10% of its owner's equity, and the following conditions are fulfilled:</p> <p>(I) The risk-based capital ratio of the Company in the most recent period shall comply with Paragraph 1, Article 143-4 of the Act.</p> <p>(II) The documents of the investment project prescribed in the preceding article have been submitted to and resolved and approved by the Board of Directors before the investment is made.</p> <p>II. The total amount of investment in one and the same project of the Company is under NT\$5 billion and 10% of its owner's equity, and the following conditions are fulfilled:</p> <p>(I) The financial conditions, corporate governance, and internal control of the insurer must fulfill the following conditions:</p> <ol style="list-style-type: none"> <li>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 insurer over the most recent two years are 250% at least.</li> <li>2. The documents of the investment project prescribed in preceding article have been submitted to the Board of Directors and resolved and approved by over half of the directors</li> </ol>	<p>For the Amendment to Item 1-5 of Subparagraph 2 of Paragraph 3, amend "major sanctions" to "major penalty and sanctions and delete "or accumulated fines exceeding NT\$3 million imposed by the competent authority." :</p>

Articles amended	Current articles	Explanation
<p>3. Independent Directors have been appointed and the Audit Committee has been established.</p> <p>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.</p> <p>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.</p> <p>(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 meets the following conditions:</p> <p>1. The risk-based capital ratio of the Company in the most recent period shall comply with Paragraph 1, Article 143-4 of the Act.</p> <p>2. The documents of the investment project prescribed in the preceding article have been submitted to and resolved and approved by the board of directors before the investment is made.</p>	<p>at the board meeting attended by over two-thirds of all directors before the investment is made.</p> <p>3. Independent Directors have been appointed and the Audit Committee has been established.</p> <p>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.</p> <p>5. There have been no major sanctions or accumulated fines exceeding NT\$3 million imposed by the competent authority in the most recent year, however, However, this does not include violations that have been rectified and affirmed by the competent authority.</p> <p>(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 meets the following conditions:</p> <p>1. The risk-based capital ratio of the Company in the most recent period shall comply with Paragraph 1, Article 143-4 of the Act.</p> <p>2. The documents of the investment project prescribed in the preceding article have been submitted</p>	<p>To amend the Article 9 pursuant to the Order No. 10804362571 issued by the Financial Supervisory Commission (FSC) on November 18, 2019.</p>

Articles amended	Current articles	Explanation
<p>The total amount of investment made in accordance with the Act for PPP and mentioned in the preceding paragraph refers to the total amount of royalty, construction cost, and rent paid by the insurer under the investment contract.</p> <p>When the Company handles the loan projects described in Paragraph 2 of Article 2, it shall comply with Subparagraph 4, Paragraph 1 of this Article. The project may be approved within the limit authorized by the board of directors, provided that the Company still need to submit the following documents to the competent authority for subsequent review: The competent authority may, on a regular basis, audit the loan made by the Company, and may, in light of the social and economic circumstances and the actual performance of the projects, impose restrictions on or require review of such investment:</p> <p>I. Loan plan (including evaluation analysis of market outlook, shareholder structure and management team of the loan object, loan conditions, loan period, principal repayment methods, time of loan, repayment and repayment ability).</p> <p>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)</p> <p>III. Credit Protection methods (including confirmation of the qualifications and the relevant guarantee documents of the foreign central government of credit guarantee institutions).</p>	<p>to and resolved and approved by the board of directors before the investment is made.</p> <p>The total amount of investment made in accordance with "Act for Promotion of Private Participation in Infrastructure Projects" and mentioned in the preceding paragraph refers to the total amount of royalty, construction cost, and rent paid by the insurer under the investment contract.</p> <p>When the Company handles the loan projects described in paragraph 2 of Article 2 may comply with Subparagraph 4, Paragraph 1 of the preceding Article and the provisions of Subparagraph 4, Paragraph 1 of this article. The project may be approved within the limit authorized by the board of directors, provided that the Company still need to submit the following documents to the competent authority for subsequent review:</p> <p>I. Loan plan (including evaluation analysis of market outlook, shareholder structure and management team of the loan object, loan conditions, loan period, principal repayment methods, time of loan, repayment and repayment ability).</p> <p>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)</p> <p>III. Credit Protection methods (including confirmation of the</p>	

<b>Articles amended</b>	<b>Current articles</b>	<b>Explanation</b>
<p>IV. Financial statements of the loaning entity. This document does not need to be attached if the invested entity has been established for less than a year.</p> <p>V. Documents regarding decisions resolved or powers authorized by the board of directors.</p> <p>VI. Letters of approval issued by the relevant authorities.</p> <p>VII. Other information specified by the competent authority.</p>	<p>qualifications and the relevant guarantee documents of the credit guarantee institutions).</p> <p>IV. Financial statements of the loaning entity. This document does not need to be attached if the invested entity has been established for less than a year.</p> <p>V. Documents regarding decisions resolved or powers authorized by the board of directors.</p> <p>VI. Letters of approval issued by the relevant authorities.</p> <p>VII. Other information specified by the competent authority.</p>	

## Attachment VI

### Union Insurance Co., Ltd.

#### Comparison Table of the Amendment to the "Articles of Incorporation"

Article	Articles amended	Current articles	Explanation
Article 6	<p>The shares of the Company shall be numbered and signed or sealed by the Company's representative as well as attested by the bank that should be the attester according to the laws before issuance.</p> <p>The Company's shares issued may be exempted from printing stock and shall be logged in the securities depository enterprise.</p>	<p>The share certificates of the Company shall be in registered form, and before they are issued, shall be signed by or affixed with the seals of no less than three Directors of the Company, and issued by law after approval of the competent authority or its approved issuing and registration agency, and may be reissued at the request of Consolidation of large denomination securities by Taiwan Securities Centralized Co., Ltd. Securities.</p> <p>The Company's shares issued may be exempted from printing stock and shall be logged in the securities depository enterprise.</p>	Amended in accordance with Article 162 of the Company Act.
Article 17	<p>The Company shall have seven to thirteen Directors to compose the Board of Directors. Those Directors shall be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. The Directors shall be elected employing the candidate nomination system and procedures prescribe in Article 192-1 of the Company Act. Relevant matters such as the acceptance method and announcement of the nomination of director candidates shall be handled in accordance with the relevant laws and regulations of the Company Act and Securities Exchange Law. The total proportion of registered shares held by all directors shall be handled in accordance with the relevant laws and regulations. The Company shall purchase liability insurance for its Directors during the term of</p>	<p>The Company shall have seven to thirteen Directors to compose the Board of Directors. Those Directors shall be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors shall be eligible for re-election. The total proportion of registered shares held by all directors shall be handled in accordance with the relevant laws and regulations.</p> <p>The Company shall purchase liability insurance for its Directors during the term of office, within the scope of the Directors' service.</p> <p>The Directors of the Company are given the first time to receive transportation fees and compensation from the performance of their duties, and the amount of such remuneration shall be determined by the Board of Directors based on the industry standard.</p>	<ol style="list-style-type: none"> <li>1. Addition of purpose of this article.</li> <li>2. According to Directive 1080311451 issued on April 25, 2019 by the FSC, a company listed on the TWSE/GTSM should specify in its Articles of Incorporation that it adopts the candidate nomination system for elections of Directors and Supervisors. Shareholders should elect from a list of nominees for</li> </ol>



Article	Articles amended	Current articles	Explanation
	<p>office, within the scope of the Directors' service.</p> <p>The Directors of the Company are given the first time to receive transportation fees and compensation from the performance of their duties, and the amount of such remuneration shall be determined by the Board of Directors based on the industry standard.</p>		Directors and Supervisors.
Article 39	<p>The Articles of Incorporation were agreed and signed on January 16, 1963, and the 43rd revision was revised on June 18, 2016. The 44th revision was approved on June 24, 2020 and shall be implemented once upon the ratification by the Shareholders Meeting.</p>	<p>The Articles of Incorporation were agreed and signed on 16 January 1963, and the 43rd revision was revised on June 18, 2019 and shall be implemented once upon the ratification by the Shareholders Meeting.</p>	Added amendment

## Attachment VII

### Union Insurance Co., Ltd.

#### Comparison Table of the Amendment to the "Rules for Election of Directors"

Article	Articles amended	Current articles	Explanation
Article 3	The election of directors shall be conducted in accordance with the candidate nomination system set out in Article 192(1) of the Company Act. In order to review the qualifications of directors, their academic background and whether there are the circumstances listed in Article 30 of the Company Act, no other qualifications proof documents shall be arbitrarily added. The review results shall be submitted to shareholders for reference for the selection of suitable directors. The qualifications for and election of the independent directors of the Board shall comply with the Securities and Exchange Act, the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and related regulations of the regulator.	The Independent Directors shall be elected employing the candidate nomination system and procedures prescribes in Article 192-1 of the Company Act.	<ol style="list-style-type: none"> <li>1. Delete the original article.</li> <li>2. Addition of the purpose of this article.</li> <li>3. According to Directive No. 1080311451 issued on April 25, 2019 by the FSC, a company listed on the TWSE/TPEX should specify in its Articles of Incorporation that it adopts the candidate nomination system for elections of Directors and Supervisors. Shareholders should elect from a list of nominees for Directors and Supervisors.</li> </ol>

## Attachment VIII

### Union Insurance Co., Ltd. Comparison Table of the Amendment to the "Rules of Procedure for Shareholders' Meetings"

Article	Articles amended	Current articles	Explanation
Article 2	<p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of a regular shareholders meeting or at least 15 days before the date of a special shareholders meeting.</p> <p>Prior to 21 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting, the shareholders' meeting agenda handbook and supplementary information shall be sent to the MOPS in the form of electronic files. At least 15 days before the date of the shareholders meeting, this Company shall also have prepared the shareholders meeting agenda and supplemental</p>	<p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of a regular shareholders meeting or at least 15 days before the date of a special shareholders meeting.</p> <p>Prior to 21 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting, the shareholders' meeting agenda handbook and supplementary information shall be sent to the MOPS in the form of electronic files. At least 15 days before the date of the shareholders meeting, this Company shall also have prepared the shareholders meeting agenda and supplemental</p>	<p>1. Amend in accordance with Paragraph 5 of Article 172 and Paragraph 1, 2 and 5 of Article 172-1.</p> <p>1. Paragraph 4 is added in line with the Ministry of Economic Affairs Official Letter No. Shang—10702417500 issued on August 6, 2018.</p> <p>3. Minor revision to wording.</p>

Article	Articles amended	Current articles	Explanation
	<p>meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</p> <p>Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, capital reduction, application to be delisted from public offering, lifting of non-competition restriction of directors, capital increase by retained earnings, capital increase by capital surplus reserve, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1, Article 185 of the Company Act shall be set out in the notice of the Shareholders' Meeting. None of the above matters may be raised by an extempore motion. The main contents of which shall be uploaded to a website appointed by the Financial Supervisory Commission or the Company, and the website shall be specified on the meeting notice.</p> <p>The notice to convene a shareholders' meeting shall already specify the full re-election of directors and supervisors, and shall indicate the date of</p>	<p>materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</p> <p>Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extempore motion.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any</p>	

Article	Articles amended	Current articles	Explanation
	<p>appointment. After completing the re-election process in the shareholders' meeting, change of date of appointment may not be brought up as an extempore motion or by other means in the same meeting.</p> <p>Shareholders who hold more than one percent of the total number of issued shares shall submit a general shareholders meeting resolution to the Company, which is limited to one only. Resolutions beyond the limitation shall not be included. However, if the proposed shareholders' resolution is to urge the Company to promote public interest or fulfill its social responsibilities, the Board of Directors shall include it in the agenda. In addition, when the circumstances of any</p> <p>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.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p>	<p>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.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholders proposed by the Shareholder shall be limited to 300 words and more than 300 words shall not be included in the agenda; the proposal of Shareholder(s) shall be in person or by proxy and is also involved in the discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	

Article	Articles amended	Current articles	Explanation
	<p>Shareholders proposed by the Shareholder shall be limited to 300 words and more than 300 words shall not be included in the agenda; the proposal of Shareholder(s) shall be in person or by proxy and is also involved in the discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>		
Article 14	<p>The chairperson shall give the opportunity to fully explain and discuss the proposals, as well as the amendments or extempore motions proposed by the shareholders. When the chairperson is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the proposal to vote. The chairperson shall also allocate sufficient time for voting.</p>	<p>The chairman shall allow ample opportunity during the meeting for explanation and discussion of the proposals and of the 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 closure of the discussion and call for the vote.</p>	<p>To avoid reducing the voting time of shareholders and affecting their exercise of voting rights, some texts were revised.</p>

Article	Articles amended	Current articles	Explanation
Article 16	<p>A shareholder shall be entitled to one vote per share for each share held, except for those who have no voting right under Article 179-2 of the Company Act.</p> <p>When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing. The method for exercising voting rights in writing or by electronic means shall be indicated in the notice of shareholders' meeting. A Shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person. However, the shareholders shall be deemed to have waived his/her rights in relation to extempore motions and amendments to original proposals presented at the shareholders' meeting.</p> <p>A shareholder intending to exercise voting rights in writing or electronically shall be delivered to the Company before 2 days before the date of the shareholders' meeting. When a duplicate declaration is delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a shareholder has exercised voting rights by correspondence</p>	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When a shareholder meeting is held, the Company may exercise its voting rights in writing or electronically; when exercising voting rights in correspondence or electronic means, the methods of exercise shall be stated in the shareholders' meeting notice. A Shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person. However, the shareholders shall be deemed to have waived his/her rights in relation to extempore motions and amendments to original proposals presented at the shareholders' meeting.</p> <p>A shareholder intending to exercise voting rights in writing or electronically shall be delivered to the Company before 2 days before the date of the shareholders' meeting. When a duplicate declaration is delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a shareholder has exercised voting rights by correspondence</p>	<p>Cooperate with electronic voting and revise some texts.</p>

Article	Articles amended	Current articles	Explanation
	<p>or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company by the same means, by which the voting rights were exercised before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p>	<p>or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company by the same means, by which the voting rights were exercised before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p>	
Article 18	<p>Matters relating to the resolutions of the Shareholders Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of</p>	<p>Matters relating to the resolutions of the Shareholders Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the</p>	<p>Implement the spirit of voting on a case-by-case basis and revise some texts.</p>



Article	Articles amended	Current articles	Explanation
	<p>the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the voting results (including the number of votes cast). When there is an election of directors or supervisors, the number of votes received by each candidate shall be disclosed. During the existence of the Company, it should be kept permanently. The method of the preceding paragraph is to consult the shareholders' opinions by the Chairman. If the shareholders have no objection to the proposal, they should record that "the Chairman has consulted all the shareholders present without objection." However, if the shareholders disagree with the proposal, they should state the method of voting and the number and ratio of voting rights.</p>	<p>chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.</p> <p>The method of the preceding paragraph is to consult the shareholders' opinions by the Chairman. If the shareholders have no objection to the proposal, they should record that "the Chairman has consulted all the shareholders present without objection." However, if the shareholders disagree with the proposal, they should state the method of voting and the number and ratio of voting rights.</p>	

## Appendix I (Revised)

### **Union Insurance Co., Ltd. Procedures of the Company's Funds in Special Projects, Public Utilities and Social Welfare Enterprises**

Approved by the 27th meeting of the 22nd term Board of Directors on September 27, 2012.  
Approved by the 32nd meeting of the 22nd term Board of Directors on February 27, 2013.  
Approved by the 16th Meeting of the 23rd Term Board of Directors on September 29, 2014.  
Approved by the 29th meeting of the 23rd term Board of Directors on September 24, 2015  
Approved by the 36th Meeting of the 23rd Term Board of Directors on March 24, 2016  
Approved by the 6th meeting of the 24th term Board of Directors on October 27, 2016  
Approved by the 23rd Meeting of the 24th term Board of Directors on February 27, 2018  
Approved by the 35th Meeting of the 24th term Board of Directors on February 26, 2019  
Approved by the 6th meeting of the 24th term Board of Directors on October 30, 2019  
Approved by the 10th meeting of the 25th term Board of Directors on February 25, 2020

Article 1. The Procedures are formulated in accordance with the "Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises."

Article 2. Use of the Company's funds for special projects shall be restricted to investments in or extension of loans for the following projects:

- I. Emerging and key strategic projects or venture investment projects approved by the government.
- II. Industrial zone or regional development projects approved by the government.
- III. Purchase of houses by the houseless.
- IV. Cultural and educational conservation and construction.
- V. Funeral facilities not distributed as public utilities listed in Article 3.
- VI. Other use in line with the government policies.

The Company shall handle the lending business guaranteed by the foreign central government, the credit guarantee institution established by the foreign central government or credit guarantee institutions announced by OECD (hereafter refer to as credit guarantee institution), and shall serve as the participation limit of the joint loan case, and meet the following conditions, and the other is to cooperate with the government as mentioned in the subparagraph 6 of the preceding paragraph. Policy funding project:

- I. The purpose of the loan object for the application of the loan is to invest in matters in the first paragraph of the Order No. 10610908021 issued by the Financial Supervisory Commission (FSC) on March 21, 2017.
- II. The Company shall assess whether the financial status of the credit guarantee institution is sufficient to pay the secured debts and set a limit on its risk exposure to implementing risk control according to the country/institution respectively.
- III. With formal guarantee documents, the credit guarantee institution may directly request to perform the guarantee responsibility when the debtor fails to perform the debt.

IV. The guarantee liability of the credit guarantee institution shall be unconditional and irrevocable until the full guarantee of the secured loan.

The Company invests in and implements public urban renewal projects in accordance with the following conditions, and it is approved for other capital utilization projects in accordance with Paragraph 6 of Article 1 that are in line with government policies:

- I. All investment projects are limited to public urban renewal projects, and must comply with the land or land rights of "Public Urban Renewal Project recognized by the Urban Renewal Project Directors or Organizers that Cooperate with Government Policies or Public Construction Purposes," "100% Public, National Housing and Urban Renewal Center Land or above-ground rights held by state-owned enterprises," "integrated base," "individual development," and "no further integration with other lands."
- II. The Company shall not involve in the operation of businesses other than those stipulated in the Insurance Law with regard to the assets obtained in the handling of public urban renewal projects, and shall have the fact of effectively using and obtaining profits.
- III. The Company shall meet the conditions of "the most recent capital adequacy ratio at the time of investment has reached the statutory standard" and "the internal control processing procedures for the execution of various capital utilization operations in the past year have no major deficiencies, or the deficiencies have been corrected and approved by the competent authority."

Article 3. The Company's Use of funds for public utilities shall be restricted to the following utilities:

- 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 The above-mentioned funeral facilities exclude the storage facilities for cemetery and the ashes.
- V. Construction of public-welfare facilities for public recreation.
- VI. Other public-sector-related activities that align with the government's incentives and construction.

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 uses 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 the 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 cultural and educational conservation and construction project provided in Subparagraph 4 of Article 2.
- III. Other entity regulated by the competent authority.

Where the Company uses 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 Act.

The Company engages in investment on held funeral facility In accordance with Article 2 and Article 3 which facility should be consistent with business managers municipal, county (city) competent authority for the excellent evaluation, armor and other fairly level or above conditions.

Article 6. The limits for an insurer engaging in investment on special projects, public utilities, and social welfare enterprises is set forth as follows:

- I. The total amount shall not exceed 10% of its total funds.  
The amount of loans stipulated in Paragraph 2, Article 2, shall be calculated in accordance with the provisions of the loan, and the amount of loans and investment in the same entity shall not exceed 5% of the Company's total funds.
- II. The total amount of the Company invested in one and the same entity shall not exceed 5% of its total funds except for the invested entity listed in Paragraph 2 of Article 5.
- III. The investment or contribution ratio of an insurer invested in the following entities shall be complied with:
  - (I) Where the invested entity is a venture investment enterprise and the entity is listed in Subparagraph 3 of Paragraph 2 of Article 5, such amount shall not exceed 25% of the paid-in capital or capital contribution actually paid off the invested entity.

(II) Where the investment is made onto an enterprise with the items enumerated under Article 3 and 4, such amount shall not exceed 45% of the paid-in capital of the invested entity. The foregoing is not applied to the Company which is qualified with the following conditions and obtains the approval of the competent authority:

1. The insurer's risk-based capital ratio as of the end of most recent period shall comply with Paragraph 1, Article 143-4 of the Act;
2. The Company has set up Independent Directors and Audit Committee, and the investment shall be approved by the Board of Directors.
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. The Company has not been subject to major sanction/penalty. However, this does not include violations that have been rectified and affirmed by the competent authority.
5. Where this is not the first investment, any invested entities with its shareholding ratio exceeding 45% shall show no accumulated losses in the financial report as of the end of the most recent period, except for the invested entity is the private institution regulated by the "Act for Promotion of Private Participation in Infrastructure Projects," the financial report of such invested entity shows no accumulated losses in the most recent period.

(III) Except for the invested entity prescribed in the above two Items, such amount shall not exceed 10% of the paid-in capital or capital contribution actually paid off the invested entity.

IV. In case of securitization products issued by the Company at the contents set forth in Article 3 and 4 as the target, the Company 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.

Major Sanction/penalty as referred to in Item 2-4 of Subparagraph 3 of the preceding Paragraph and Item 1-5 of Subparagraph 2 of Paragraph 3 of Article 9 means major sanctions and penalties specified in Subparagraph 1 to Subparagraph 12 of Article 2 of the "Financial Supervisory Commission's Regulations on the Publication of Material Penalties for Violations of Finance Laws" or a fine of at least three times the minimum statutory amount for a single violation specified in Subparagraph 13.

Where, after the Company invests in an entity for special projects, public utilities and social welfare enterprises, the said entity is qualified to accept investments under Subparagraph 3 or 4 of Paragraph 1 of Article 146-1 of the Act, the investments in such entity shall be governed by the provisions of the said Subparagraph instead, provided that if the said investment exceeds such limits as are prescribed in Subparagraph 3 or 4 of Paragraph 1 of Article 146-1 of the 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 in the entity unless the additional investment is made to maintain the original equity share in the entity.

Where the Company and its interested parties jointly invest in a venture investment enterprise as listed in Subparagraph 1 of Article 2 or Subparagraph 1, Paragraph 2 of Article 5 of the Regulations or take any methods to achieve controlling and subordinate relations with the same venture investment enterprise, the following regulations must be met:

- I. The Company may not take any direct or indirect methods via the venture investment enterprise to intervene in the business management and investment decisions of the same venture investment enterprise and its investees;
- II. The combined investments of the Company and the invested venture investment enterprise in a company stock whose public issuance is approved by law as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act may not exceed the limit as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act. The Subparagraph 2 of the preceding Paragraph regarding the invested venture investment enterprise's investment in a company stock whose public issuance is approved by law as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act, which shall be combined calculation with the insurer's investment in the same company stock, is based on the insurer's investment or contribution ratio in the invested venture investment enterprise. Where the limit is exceeded, the Company 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 combined calculation of the insurer and the invested venture investment enterprise's shareholding in the aforementioned company stock may not be increased.

Article 7. 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 Company 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 Company 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 conduct an on-site audit on the invested entity during the investment period.
- IV. If the post-tax profit or loss of the invested entity in the most recent accounting year is negative after investing, the insurer 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. In addition, the audit unit 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 unit of the Company shall track the improvement status of the invested entity on the flaw or abnormality 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 the scope of the internal control and audit of the Company. If any illegal activity or major violation 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 a meeting of the Board of Directors of the Company in its latest meeting.
- 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 Company 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 insurer. The content of the audit report shall at least include the following:

- 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 Non-life and life insurers shall comply with Article 11 of the "Regulations Governing Public Disclosure of Information by Non-life Insurers" and "Regulations Governing Public Disclosure of Information by Life 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. The aforesaid disclosure information shall be updated within ten days after submission to the Board of Directors.

Article 8. The Company desiring to use its funds for special projects, public utilities and social welfare enterprises shall apply for approval from the competent authority 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, the 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. Letters of approval issued by the relevant authorities.
- VII. Other information specified by the competent authority.

Article 9. In any of the following circumstances, the Company may use its funds for a special project or public utilities or social welfare enterprises within the limit authorized by



the board of directors without going through the application procedure, provided that the documents set forth in Paragraph 1 of the preceding Article shall be submitted to the competent authority for subsequent review:

- I. The Company 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 and the entity is listed in Subparagraph 3 of Paragraph 2 of Article 5, and the total amount that the insurer 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 is 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.

For the Company engaging in the investment set forth in preceding Paragraph, the risk-based capital ratio thereof should comply with the provisions of Paragraph 1 of Article 143-4 of the Act.

If the invested entity is the entity regulated by the Act for PPP and the following investment amount and conditions are met, the insurer can invest in such entity without going through the application procedure, provided that the documents set forth in Paragraph 1 of the preceding Article shall be submitted to the competent authority for subsequent review:

- I. The total amount of investment in one and the same project of the Company is under NT\$1 billion and 10% of its owner's equity, and the following conditions are fulfilled:
  - (I) The risk-based capital ratio of the Company in the most recent period shall comply with Paragraph 1, Article 143-4 of the Act.
  - (II) The documents of the investment project prescribed in the preceding article have been submitted to and resolved and approved by the Board of Directors before the investment is made.
- II. The total amount of investment in one and the same project of the Company is under NT\$5 billion and 10% of its owner's equity, and the following conditions are fulfilled:
  - (I) The financial conditions, corporate governance, and internal control of the insurer 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 insurer over the

most recent two years are 250% at least.

2. The documents of the investment project prescribed in preceding article have been submitted to the Board of Directors and resolved and approved by over half of the directors at the board meeting attended by over two-thirds of all directors before the investment is made.
  3. Independent Directors have been appointed and the Audit Committee has been established.
  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 meets the following conditions:
1. The risk-based capital ratio of the Company in the most recent period shall comply with Paragraph 1, Article 143-4 of the Act.
  2. The documents of the investment project prescribed in the preceding article have been submitted to and resolved and approved by the board of directors before the investment is made.

The total amount of investment made in accordance with the Act for PPP and mentioned in the preceding paragraph refers to the total amount of royalty, construction cost, and rent paid by the insurer under the investment contract.

When the Company handles the loan projects described in Paragraph 2 of Article 2, it shall comply with Subparagraph 4, Paragraph 1 of this Article. The project may be approved within the limit authorized by the board of directors, provided that the Company still need to submit the following documents to the competent authority for subsequent review: The competent authority may, on a regular basis, audit the loan made by the Company, and may, in light of the social and economic circumstances and the actual performance of the projects, impose restrictions on or require review of such investment:.

- I. Loan plan (including evaluation analysis of market outlook, shareholder structure and management team of the loan object, loan conditions, loan period, principal repayment methods, time of loan, repayment and repayment ability).
- 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. Credit Protection methods (including confirmation of the qualifications and the relevant guarantee documents of the foreign central government of credit guarantee institutions).
- IV. Financial statements of the loaning entity. This document does not need to be attached if the invested entity has been established for less than a year.
- V. Documents regarding decisions resolved or powers authorized by the board of directors.
- VI. Letters of approval issued by the relevant authorities.
- VII. Other information specified by the competent authority.

Article 10. The Company 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 this Act;

The Company must collect 100% collateral for the loans granted to the person in charge, employees or major shareholders, or the related party 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 the meeting and two-thirds of the boards attending the meeting. The scope, quota, total loan amount, and other binding matters for the related party are guided by the "Rules Governing the Loans Granted to Related Party by Insurers." For the insurer 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.

The Company's latest issue of its own capital to risk-capital ratio of more than two hundred percent, its handle with the combined use of ad hoc government policy of loans, was reported by the competent authority is not restricted by the provision of paragraph 1.

Article 11. Assessment and Procedures shall comply with following provision:

- I. Delegated investment limit and authorized hierarchy: Proceed in accordance with the Company's "Authorized management hierarchy table for Investment Business."
- II. The assignment of powers and responsibilities for the Company's investment in public and social welfare enterprise is as follow:
  - (I) Traders engaging in transactions shall comply with the operating procedures within the scope of delegation.

- (II) The Investment Department, Finance Department and General Affairs Department shall be responsible for the recognition of transactions and certificates of business according to the business vesting.
- (III) The Treasury Department shall be responsible to complete the transaction.
- (IV) Accounting Department shall be responsible for accounting treatment.
- (V) Risk Management Department shall be responsible for the risk management responsibility.
- (VI) The Auditing Office shall be responsible for assessing whether the transaction meets the established Procedures.

Each of these responsible officers shall be independent to facilitate the internal control.

III. The Company's investment in public and social welfare enterprises are conducted in accordance with the following procedures:

- (I) Recognition of Investment line: The investor personnel confirm the compliance and the limit delegated by the Board of Directors.
- (II) Collecting information for investment-related analysis and judgment: The investment personnel shall propose the investment report pursuant to the regulation of Article 11 and prepare the required documents pursuant to the regulation of Article 7.
- (III) Decision-making decision: The responsible supervisor shall propose the report that whether the relevant risks and investment efficiency complying with the Company's policy to the meeting of group of the utilization of funds so that they can proceed to discuss and make strategic decision.
- (IV) Approval of investment decision-making: Submit to the Board of Directors for discussing.
- (V) Execution transaction:
  1. The one who can execute the transaction shall acquire the permission from the Board of Directors or the supervisor thereof. No transaction shall be engaged except the aforementioned personnel.
  2. Transaction form: Trading personnel should establish a written form, which shall refer to the quantity and price of the designated investment target in detail.
- (VI) Transaction confirmation and record: The operation management unit shall confirm whether the transaction form is consistent with the external transaction documents.
- (VII) Transaction review.
- (VIII) Deliver the settlement instruction to the Custody Institutions.
- (IX) Settlement execution.
- (X) Acquire the confirmation letter of the transaction and then to confirm the

transaction is completed.

(XI) File the file.

IV. In accordance with the Company's "Regulations Governing and Process for Investment Management."

Article 12. The assessment for the term of transaction of investment target shall be complied with the following rules:

I. Investments in marketable securities, real estate, and other fixed assets:

(I) Investment analysis: After the related information of investment target is collected, the investing personnel shall proceed to analyze the market, cost, investment benefit for long and short term, shareholders structure and the management team thereof, profitability, business prospects, and performances, etc.

(II) Price evaluation: The price range is based on the market price method, cost approach and discounted price method or valuation setting of the financial institution or appraisal institution.

II. Loan Business and Review:

(I) Credit analysis: Borrower credit analysis, fund usage analysis, debt-paying ability analysis, debt protection analysis, and credit outlook.

(II) Price Evaluation: Based on the market price of collateral, trading price, nearby behavior, negotiations with reference to the price, transaction announcement or professional appraisal.

(III) Appraisal report of professional institutions: The amount of credit or special cases is assigned to be issued by professional institutions.

III. Investment proposal report shall be completed on conditions that are beneficial and stable cash flow.

Article 13. Internal control operations:

I. Transaction records: Transaction personnel shall transfer the relevant transaction documents to the accounting department after completing the transaction.

II. The Investment Department or the relevant departments shall regularly evaluate the value of the investment subject, submit the report to the General Manager, the Chairman and the Fund Use Team for information.

III. If there is a major change in the operation of the investee, an evaluation report shall be prepared immediately and submitted to the general manager and the Chairman of the Board for appropriate handling.

IV. The head of the Investment Department, Finance Department and the Head of the General Affairs Department shall report to the Board of Directors on a quarterly basis.

Article 14. Risk Management Operations:

I. The Risk Management Department is responsible for the risk management of the Company's Funds in Special Projects, Public Utilities and Social Welfare

## Enterprises

- II. The risk management department, according to the investment suggestion report and risk tolerance, shall submit the limit amount of risk to the Risk Management Committees for approval:
  - (I) When the risk management limit is proposed, the ability of the own capital to bear the risk should be assessed.
  - (II) The risk limits approved by the Risk Management Committees and the investment project shall be provided to the Board of Directors for discussion.
  - (III) Regularly monitor and implement the processing of the implementation limit.
- III. Transaction risk should at least include credit, operations, law, systems, etc.
- IV. Assess the value and profit or loss of investment project in public and social welfare enterprises.
- V. Risk Report
  - (I) The Risk Management Department shall report the risk assessment report on a quarterly basis to the Risk Management Committees.
  - (II) If any exceeding limit is founded, the authority unit shall immediately propose a report and suggestion of appropriate measures to the general manager and the Chairman for ruling.

### Article 15. Internal audit system:

- I. Internal audit framework: The Auditing Office that is in charge of auditing shall be set up under the Board of Directors, meanwhile, an auditing report shall be submitted to the Auditor General and he who shall transfer the report to the Board of Directors.
- II. Audit frequency: At least once a year, and the audit report is completed.
- III. Audit scope: The Audit Committee shall perform audit procedures and relevant laws and regulations.
- IV. The reporting procedures of Audit report and tracking of defects improvement shall be complied with the Company's internal audit system.

### Article 16. Matters not specified in the Procedures shall be complied with the implementation rules of the Bank's special projects, the implementation of the regulations governing the investment management of the public and the social welfare enterprise, the implementation of the regulations on internal control and auditing systems, etc., shall be conducted in accordance with the Insurance Law, the Regulations Governing Internal Control and Implementation of the Insurance Industry.

### Article 17. The Procedures shall be submitted to the competent authority for reference and submitted to the Shareholders' Meeting after approval by the Board of Directors. The same shall apply to any amendments.

## **Appendix II (Revised)**

### **Union Insurance Company**

#### **Chapter 1. General Provisions**

- Article 1. The Company shall be incorporated under the Company Act and Insurance Act of the Republic of China, and its name shall be "Union Insurance Company."
- Article 2. The Company shall promote the Company's social welfare and work-prosperity as the purpose of the product insurance business.
- Article 3. The Company shall have its head office in Taipei City, the Republic of China, and may, pursuant to the law, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4. Public announcements of the Company shall be made according to Article 28 of the Company Act and Regulations of securities management authorities.

#### **Chapter 2. Shares**

- Article 5. The total capital stock of the Company shall be in the amount of 6,236,319,810 New Taiwan Dollars, divided into 623,631,981 shares, at 10 New Taiwan Dollars each, to be fully issued or to be issued in installments.
- Article 6. The share certificates of the Company shall be in registered form, and before they are issued, shall be signed by or affixed with the seals of no less than three Directors of the Company, and issued by law after approval of the competent authority or its approved issuing and registration agency, and may be reissued at the request of Consolidation of large denomination securities by Taiwan Securities Centralized Co., Ltd. Securities.
- The Company's shares issued may be exempted from printing stock and shall be logged in the securities depository enterprise.
- Article 7. (Deleted)
- Article 8. Shareholders should fill in the seal card when opening an account, and send a copy of the national identity card, residence permit, passport or other identity document or photocopy of the business registration certificate to the company. Where a dividend is paid or other rights are exercised, the seal is used as the basis and same as changing.
- Article 9. Due to the transfer, transfer or loss of destruction and the transfer of shares, the stocks are handled in accordance with the Company Act and relevant laws and regulations.

#### **Chapter 3. Shareholders' Meeting**

- Article 10. Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after the close of each fiscal year.

Special meetings shall be convened whenever necessary according to the laws and regulations.

- Article 11. The Company shall inform shareholders the date, place, and reason for convene a meeting and make a public announcement before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.
- Article 12. Unless otherwise provided for by restriction of Article of Incorporation and by law, each shareholder is entitled to one vote for each share held.
- Article 13. When a shareholder cannot attend a shareholders' meeting, he/she may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, this restriction does not apply to the revocation of the previous proxy. 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 a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation. However, if there are other regulations stipulated in the "Rules Governing the Use of Proxies for Attending Shareholders Meetings," it shall be conducted according to the regulations.
- Article 14. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is unable to attend, the vice chairman shall act in place of the chairman; if the vice chairman also is unable to attend, the chairman shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to act as chair.
- Article 15. Unless otherwise provided for in the Company Act, a meeting of shareholders shall proceed only if attended by shareholders representing more than one-half of the total outstanding capital stock of the Company. Resolutions of a shareholders meeting shall be made at the meeting with the concurrence of a majority of the votes held by the shareholders present at the meeting.
- Article 16. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall accurately record the year, month, day, and place of the meeting, representing equity and resolution results, and shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.



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

#### **Chapter 4. Directors and Board of Directors**

Article 17. The Company shall have seven to thirteen Directors to compose the Board of Directors. Those Directors shall be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors shall be eligible for re-election. The total proportion of registered shares held by all directors shall be handled in accordance with the relevant laws and regulations.

The Company shall purchase liability insurance for its Directors during the term of office, within the scope of the Directors' service.

The Directors of the Company are given the first time to receive transportation fees and compensation from the performance of their duties, and the amount of such remuneration shall be determined by the Board of Directors based on the industry standard.

Article 17-1. The number of Independent Directors shall not be less than three (3) seats and shall not be less than one-fifth of the total number of Directors and shall be elected by the Candidate Nomination System. Shareholders shall elect independent directors from among those listed in the slate of independent director candidates. The professional qualifications, shareholding, concurrent posts restrictions, definition of independence, nomination and selection methods and other matters to be complied with shall be handled according to relevant laws and regulations.

Article 18. Each director shall, after having been elected, declare to the competent authority the number and amount of the shares of the company being held by him/her at the time when he/she is elected. In case a director of a company whose shares are issued to the public that has transferred, during the term of office as a director, more than one half of the company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director.

If the number of company's shares held by a director is increased or reduced during his/her term of office as a director, he/she shall declare such change to the competent authority and shall place a public notice of such a fact.

Article 19. The Directors shall constitute the Board of Directors and shall elect one Chairman (and one vice Chairman) of the Board from among themselves by a majority at a meeting attended by at least two-thirds of the Directors.

Article 20. The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the Company. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if 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 managing directors to act as chairman,

or, if there are no managing directors, they shall mutually select a chairman from among themselves.

Article 21. The following constitutes the powers of the Board:

- I. To review various articles of incorporation.
- II. To decide the Business Policies.
- III. To review the budget and final statements.
- IV. To settle the Earnings Distribution or Make up Deficiency Plan.
- V. The proposed capital increase/decrease.
- VI. To handle the transaction of real property.
- VII. To review the investment business.
- VIII. Other functions and powers conferred by the shareholders' meeting.

In order to improve the supervision function and strengthen management functions, it is necessary to consider the size of the board of directors and the number of independent directors, and set up audit, risk management, nomination, remuneration or other functional Committees

Regarding the functional Committees, the Company shall establish organizational regulations and resolved by the Board of Directors.

Article 22. A board of director meeting notice indicating the cause of convention and shall be issued to each director seven days before the meeting except meetings convened for emergencies. The notice convened by the board of directors can be faxed or e-mailed. The Chairman shall be the chairman of Board of Directors. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice Chairman shall act in place of the chairman; if 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 managing directors to act as chairman, or, if there are no managing directors, they shall mutually select a chairman from among themselves.

Article 23. Unless otherwise provided for in Company Act, 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 24. When Directors are unable to attend the Board meeting in person, they may appoint other Directors to present the Board of Directors Meeting in accordance with the provisions of the Company Act.

Article 25. The Board of Directors may invite the General Manager, Deputy General Manager and other necessary senior staff members to attend the meeting.

#### **Chapter 5. Audit Committees**

Article 26. 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 27. The exercise of powers for Audit Committee shall comply with the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies."

Article 28. (Deleted)

Article 29. (Deleted)

#### **Chapter 6. Managerial officer**

Article 30. The Company may appoint the following managers:

- I. General Manager
- II. Deputy General Manager and Assistant Manager.
- III. Chief Auditor
- IV. Chief compliance officer at the head office.
- V. Top Executive of Risk management
- VI. Financial officer
- VII. Accounting manager.
- VIII. Responsible person of each branch.
- IX. Head of each department of the head office and above the manager level
- X. Managers who are set up in line with the laws or business operations.

Article 31. The appointment and dismissal of managers shall be proposed to Board of Directors for approval by the Chairman.

Article 32. When the General Manager is unable to perform his/her duties due to reasons, the Chairman shall designate one person to perform his/her duties in the Deputy General Manager.

#### **Chapter 7. Business**

Article 33. The Company's businesses are as follows:  
H501021 Property Insurance.

#### **Chapter 8. Accounting**

Article 34. The Company adopts the end of annual year as the fiscal year of Accounting. It is settled once a year, and the annual settlement should be based on the settlement figures at the end of the year.

Article 35. The Board of Directors shall, at the end of the fiscal year, prepare the following books and reports and, in accordance with the law, submit to its shareholders for their approval or to the shareholders' meeting for ratification.

- I. Business Report.
- II. Financial Statements.
- III. Proposal for Distribution of Earnings or Loss Make-up.

The Company may make publicly announcements for the aforementioned Proposal for Distribution of Earnings or Loss Make-up.

Article 35-1. If there is profit at the end of each fiscal year, a ratio from 1% to 5% of profit of the

current year distributable as employees' compensation and no more than 5% as Bonus to Directors shall be appropriated. However, if there are still accumulated losses, certain profits shall first be allocated to make up for accumulated losses, then the remaining balance shall be made available to allocate any bonuses or compensations.

Employee compensations shall be distributed in stocks or in cash and delegate the Board of Director to determine it each year within the scope of provisions.

The compensation distribution of employee and directors shall be performed by the board of directors with a resolution of more than two-thirds of the directors present and a majority of the directors' attendance, and report to the shareholders' meeting.

Article 36. The Company's dividend distribution conditions, timing, and the amount shall be handled in accordance with the following methods:

If there are earnings, the Company shall first pay the tax, make up the losses in previous years and set aside a legal capital reserve at 20% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve or reversal special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. After that, the Company may delegate the Board of Directors, depending on the operating circumstance, to allocate a certain portion of retained earnings as a reserve, then the remaining balance plus unappropriated retained earnings in previous years shall be calculated in an Earnings Distribution report and submitted to the shareholders' meeting for approval.

The Board of Directors is delegated to make reasonable remuneration for the Independent Directors whose remuneration shall not be included in the Company's earnings distribution.

The Company is in the property insurance industry. In addition to complying with government policies and meeting the capital adequacy ratio, corporate development must strengthen the company's underwriting energy and liquidity. The Company's policy of allocating dividends is subject to the current and future investment environment, capital requirements, market competition and capital budget of the company, taking into account the interests of shareholders, balancing dividends and long-term financial planning of the Company. The Board of Directors prepares the Earnings Distribution plan every year according to the law. The distribution of earnings may be distributed in cash dividends or stock dividends. However, the ratio of cash dividends shall not be less than 10% of the total dividend, but if the cash dividend is less than NTD 0.1 per share, it will not be issued, and the stock dividend will be distributed.

## **Chapter 9. Supplementary Provisions**

Article 37. The Company's organizational rules and procedures shall be stipulated separately.

Article 38. Matters not specified in the Articles of Incorporation shall be handled in accordance

with the Company Act and relevant laws and regulation.

Article 39. These Articles of Incorporation was stipulated on January 16, 1963. This Articles of Incorporation was stipulated on January 16, 1963. The first amendment was made on April 6, 1965. The first amendment was approved by the shareholders meeting on April 6, 1965. The second amendment was on April 30, 1967. The third amendment was on April 15, 1969. The fourth amendment was on April 28, 1973. The fifth amendment was on April 10, 1974. The sixth amendment was on January 28, 1979. The seventh amendment was on April 17, 1981. The eighth amendment was on August 27, 1985. The ninth amendment was on September 16, 1986. The tenth amendment was on June 30, 1987. The eleventh amendment was on April 10, 1989. The twelfth amendment was on June 30, 1990. The thirteenth amendment was on March 12, 1991. The fourteenth amendment was on March 18, 1992. The fifteenth amendment was on May 3, 1993. The sixteenth amendment was on May 2, 1994. The seventeenth amendment was on May 8, 1995. The eighteenth amendment was on May 6, 1996. The nineteenth amendment was on May 15, 1997. The twentieth amendment was on May 4, 1998. The twenty-first amendment was on May 3, 1999. The twenty-second amendment was on May 29, 2000. The twenty-third amendment was on May 7, 2001. The twenty-fourth amendment was on May 27, 2002. The twenty-fifth amendment was on August 7, 2002. The twenty-sixth amendment was on May 19, 2003. The twenty-seventh amendment was on May 31, 2004. The twenty-eighth amendment was on June 3, 2005. The twenty-ninth amendment was on May 19, 2006. The thirtieth amendment was on June 29, 2007. The thirty-first amendment was on November 19, 2007. The thirty-second amendment was on June 27, 2008. The thirty-third amendment was on June 26, 2009. The thirty-fourth amendment was on June 29, 2010. The thirty-fifth amendment was on June 21, 2011. The thirty-sixth amendment was on June 22, 2012. The thirty-seventh amendment was on June 25, 2013. The thirty-eighth amendment was on June 30, 2014. The thirty-ninth amendment was on June 24, 2015. The fortieth amendment was on June 24, 2016. The forty-first amendment was on June 22, 2017. The forty-second amendment was on June 21, 2018. The forty-third amendment was on June 18, 2019.

## Appendix III (Before Amendment)

### Union Insurance Co., Ltd. Rules for Election of Directors

Approved by the Shareholders' Meeting on June 30, 1990  
Resolved in the Shareholders' Meeting on May 27, 2002  
Resolved in the Shareholders' Meeting on June 3, 2005  
Resolved in the Shareholders' Meeting on June 29, 2007  
Resolved in the Shareholders' Meeting on June 24, 2015  
Resolved in the Shareholders' Meeting on June 24, 2016

- Article 1. The election of directors shall be conducted in accordance with these Regulations.
- Article 2. The election of Directors shall adopt a disclosed cumulative voting method. Each share represents a weighted number of voting rights equivalent to the number of Directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates. Candidates who get more votes representing corresponding voting rights shall be elected as Independent Director and Non-Independent Director respectively.
- Article 3. The Independent Directors shall be elected employing the candidate nomination system and procedures prescribes in Article 192-1 of the Company Act.
- Article 4. The Chairman of the meeting shall appoint two watchers for monitoring the voting and a number of counting officers to at the time of beginning the meeting.
- Article 5. Candidates who get more votes representing corresponding voting rights shall be elected Directors in the number of the ballots received. If two or more persons have revived the same number of voting rights, and the number of persons exceeds the prescribed number of available seats, the persons with the same number of voting rights shall draw lots to decide election; the Chairman shall draw lots on behalf of any selected persons who are not presented.
- Article 6. The ballots for on-site voting shall be prepared by the Board of Directors, and the elector's attendance card number and the weighted number of voting rights shall be stated on the ballots bearing the Company's seal.
- Article 7. Independent Directors and Non-Independent Directors of the Company shall be elected at the same time. Candidates who get more votes representing corresponding voting rights shall be elected as Non-Directors and Independent Directors respectively.
- Article 8. The voter shall fill in the followings in the box of "the person to be elected" in ballot:  
(1) The name of the person to elected. (2) The shareholder account number; if the person to be elected is not a shareholder of the Company, name and ID number of the person to be elected shall be filled in.
- Article 9. If any of the followings applied to on-site voting in the shareholders' meeting, the ballot shall be counted as invalid:
1. The ballot was not prepared as prescribed in Article 5 of these regulations.
  2. The number of candidates exceeds the mandatory number of seats for election.
  3. In addition to the name and shareholder account number of the candidate who is a

shareholder and the name and ID number of the candidate who is not a shareholder of the Company, any other word, number, symbol on the ballot shall not be accepted.

- Article 10. If a candidate listed on the ballot under any of the following circumstance, the voting rights shall not be counted as the candidate's number:
1. The writing is unclear and indecipherable.
  2. Where the candidate is a shareholder, the name of the candidate, shareholder account number, and shareholder roster do not match the candidate's name.
  3. For a candidate who is a shareholder, only one of the shareholder's name or shareholder's account appears on the ballot; if the candidate is not a shareholder, only one of the shareholder's name or ID account appears on the ballot.
  4. Other situations where the candidate cannot be identified clearly.
- Article 11. The voting rights shall be calculated on site immediately after the end of the poll and the result of the calculation shall be announced by the Chairman on the site.
- Article 12. The board of directors of the Company shall issue notifications to the persons elected as Directors.
- Article 13. Matters not specified in the Procedures shall be handled in accordance with the Company Act, Securities and Exchange Act, and relevant laws and regulations, the Company's Article of Incorporation and Rules of Procedure for Shareholders' Meetings.
- Article 14. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

## Appendix IV (Before Amendment)

### Union Insurance Co., Ltd.

#### Rules of Procedure for Shareholders' Meetings

Ratified at the Annual Shareholders' Meeting on June 30, 1990

Ratified at the Annual Shareholders' Meeting on May 15, 1997

Ratified at the Annual Shareholders' Meeting on May 4, 1998

Amended at the Annual Shareholders' Meeting on June 21, 2011

Amended at the Annual Shareholders' Meeting on June 22, 2012

Amended at the Annual Shareholders' Meeting on June 24, 2015

Amended at the Annual Shareholders' Meeting on June 24, 2016

Article 1 The rules of procedures for this Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of a regular shareholders meeting or at least 15 days before the date of a special shareholders meeting. Prior to 21 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting, the shareholders' meeting agenda handbook and supplementary information shall be sent to the MOPS in the form of electronic files. At least 15 days before the date of the shareholders meeting, this Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extempore motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting 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.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholders proposed by the Shareholder shall be limited to 300 words and more than 300 words shall not be included in the agenda; the proposal of Shareholder(s) shall be in person or by proxy and is also involved in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.



- Article 3 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.  
A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, this restriction does not apply to the withdrawal of prior proxy engagements.  
After the proxy is delivered to the Company, shareholders who wish to attend the meeting may in person convene a meeting of the Company in writing to the shareholders' meeting to cancel the proxy. The Company shall be notified by a written notice of the meeting to the Company for the withdrawal of the proxy. If the proxy is revoked, the voting right exercised by the proxy shall be adopted.
- Article 4 The Company shall prepare an attendance book for attending shareholders, or attending shareholders attending the shareholders' attendance cards in lieu of signing. The number of shares attending shall be calculated according to the signature book and the sign-in cards submitted.  
The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slip, voting slip, and other meeting materials. Where there is an election of directors, a voting ballot shall also be furnished.  
Shareholders or proxies of the shareholder or the proxy shall attend the shareholders' meeting to attend the shareholders' meeting. The Company shall not offer any other supporting documents to the shareholders' meeting. The Company shall not request the shareholders to attend the meeting for any other supporting documents. The solicitors soliciting the proxy shall bring their identification documents for verification.
- Article 5 The attendance and voting of the shareholders' meeting shall be calculated based on the number of shares.  
The resolutions of the shareholders' meeting shall not be calculated as a result of the number of shares held by the shareholders' meeting. The number of shares that will not be taken into account shall not be calculated.  
When a shareholder is an interested party in relationship to an agenda item and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.  
The shares of the unexecuted voting rights shall not be calculated in the voting number of the attending shareholders.  
Except for a shareholder's letter approved by the trust enterprise or a stock agency approved by the securities competent authority, the voting right of a person who is more than three (2) percent of the total number of issued shares shall not exceed 3% of the total number of issued shares. If the voting rights exceed the total number of shares that are not more than three percent, the voting right shall not be counted.
- Article 6 The Company's shareholders' meeting shall be held at the venue of the headquarters or the branch of the branch. The shareholders' meeting shall be held at the location of the headquarters or the convenient shareholders. The meeting shall be held at a venue where the shareholders meeting is located. The meeting shall be held at the beginning of the meeting. The meeting shall be held in a location and time in the morning of the meeting. The opinions of independent directors shall be taken into full consideration.
- Article 7 If the shareholders' meeting is convened by the Board of Directors, the Chairman of the Board shall be the Chairman. If the Chairman of the Board is absent from the meeting, the Vice-Chairman shall be the Deputy Chairman. If there is no Vice-Chairman or the Vice-Chairman is absent, the Chairman of the Board shall designate a Director as the Deputy Chairman. If the Chairman does not specify the role of a Deputy Chairman, the Directors may designate one Director to be the Deputy Chairman.  
The Deputy Chairman served by one of the Directors as specified in the preceding paragraph shall be a Director who serves as a Director for six months or more and

understand the Company's financial operations. The same shall apply if the chairman is a director representative of an institutional investor.

Shareholders' meetings convened by the Board of Directors shall be held in person. The Chairman shall be held in person. The Board of Directors shall attend more than half of the Board meetings and attend a majority of the functional Committees members, and shall record the attendance of the meeting at least one meeting.

If a shareholder meeting is convened by a person having a right to convene, the meeting is convened by the convener. If there are two or more conveners, they shall be elected from among themselves.

The Company may designate its attorneys, certified public accountants (CPA) or other relevant persons to attend the Shareholder's Meeting.

Article 8 The Company shall record the proceedings of the shareholders' meeting in a full-process or video-recording process and shall save at least one year. If, however, a shareholder files a lawsuit, the recordings shall be retained until the conclusion of the litigation.

Article 9 The meeting time, the Chairman shall announce the meeting immediately. However, the Chairman shall announce the meeting adjourned. The Chairman may announce the meeting adjourned and the meeting shall not be more than two (2) months after the meeting is held. The total number of delayed time shall not exceed one hour. If the quorum is not met after two postponements are still not met, the Chair shall declare the meeting adjourned by the Chairman.

If the aforementioned two postponements still fail to be present in the preceding paragraph, if the number of shares that represent more than one-third of the total number of issued shares is still less than one-third of the total number of issued shares, the tentative resolution may be determined as a tentative resolution, and the shareholders will be notified of the tentative resolution for each one month to convene a meeting within one month.

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

Article 10 If a shareholder's meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall be conducted in accordance with the agenda and not a resolution for a resolution by the shareholders' meeting.

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

The chairman shall not adjourn the meeting without a resolution before the conclusion of the proceedings (including provisional motions) for the first two items. If the chairman violates meeting rules and announces the meeting adjourned, the attending shareholders can vote on choosing another chairman and continue the meeting if the vote passes majority pursuant to Article 182-1 of the Company Act.

After the meeting is adjourned, the shareholders may not appoint another chairman and continue the meeting either at the same or a different venue.

Article 11 Article 10 Before attendant shareholders make a speech, they have to fill in a statement slip specifying the gist of speech, the shareholder's account number (or attendance card number) and the name of the account. The chairman shall set the order of speech. A shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. If the contents of the speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail.

Article 12 When a shareholder attends the shareholder's meeting, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor. The Chairman shall stop any violation. A shareholder who has a meeting of the same proposal shall speak on the same proposal, and each speech shall not exceed two minutes. If a shareholder violates the rules or exceeds the scope of the topic, the Chairman may stop the speech.

After attending shareholders' speech, the Chairman may respond in person or designate relevant personnel to respond.

Article 13 When a government or a juristic person is a shareholder, a representative of a shareholder

attending a meeting is not limited to one representative.

18. When a legal person has been delegated to attend the shareholders' meeting, only one person should be delegated as a proxy by the legal person.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives for the same proposal can speak only.

Article 14 The chairman shall allow ample opportunity during the meeting for explanation and discussion of the proposals and of the 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 closure of the discussion and call for the vote.

Article 15 In the course of the meeting, the Chairman may announce a break of a break. When a force majeure event occurs, the chairman may decide temporarily suspended the meeting and announce the time of the meeting and announce the time of the meeting.

If the meeting venue is not available for continued use, the meeting venue may be adopted by the shareholders' meeting to resume the meeting at a meeting.

A resolution may be adopted for a resolution of 5 days to the meeting in accordance with Article 182 of the Company Act.

Article 16 A shareholder shall be entitled to one vote per share for each share held, except for those who have no voting right under Article 179-2 of the Company Act.

When a shareholder meeting is held, the Company may exercise its voting rights in writing or electronically; when exercising voting rights in correspondence or electronic means, the methods of exercise shall be stated in the shareholders' meeting notice. A Shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person. However, the shareholders shall be deemed to have waived his/her rights in relation to extempore motions and amendments to original proposals presented at the shareholders' meeting.

A shareholder intending to exercise voting rights in writing or electronically shall be delivered to the Company before 2 days before the date of the shareholders' meeting. When a duplicate declaration is delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.

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

Article 17 Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the 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 this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public

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

Article 18 Matters relating to the resolutions of the Shareholders Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, 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 results, and shall be retained for the duration of the existence of the Company.

The method of the preceding paragraph is to consult the shareholders' opinions by the Chairman. If the shareholders have no objection to the proposal, they should record that "the Chairman has consulted all the shareholders present without objection." However, if the shareholders disagree with the proposal, they should state the method of voting and the number and ratio of voting rights.

Article 19 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 20 Staff handling administrative affairs of the shareholders 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 the shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the 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 21 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

## Appendix V

### Union Insurance Co., Ltd. Shareholding Status of All Directors

Position	Name	Date of Appointment	Term of Office	Number of shares held when elected		Number of Shares Held at the Close of Business on the Book Closure Date	
				Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)
Vice Chairman	Representative of Wang Wang Food Co., Ltd.: Hung-Hsiung Hung	2019.06.18	Three years	44,466,613	20.88	44,466,613	20.88
Vice Chairman	Wang Wang Food Co., Ltd. Representative: Chung-Chung Tsai	2019.06.18	Three years	44,466,613	20.88	44,466,613	20.88
Director	Wang Wang Food Co., Ltd. Representative: Hsiu-Chuan Lin	2019.06.18	Three years	44,466,613	20.88	44,466,613	20.88
Director	Representative of Wang Wang Food Co., Ltd.: Hai-Lun Xu	2019.06.18	Three years	44,466,613	20.88	44,466,613	20.88
Director	Representative of Wang Wang Food Co., Ltd.: Chia-Ying Ma	2019.06.18	Three years	44,466,613	20.88	44,466,613	20.88
Director	Wang Wang Food Co., Ltd. Representative: Zi-Ming Liu	2019.06.18	Three years	44,466,613	20.88	44,466,613	20.88
Independent Director	Dong-Liang Wang	2019.06.18	Three years	0	0	0	0
Independent Director	Ping-Kai Kuo	2019.06.18	Three years	0	0	0	0
Independent Director	Yu-Fung Ma	2019.06.18	Three years	0	0	0	0
Total				44,466,613	20.88	44,466,613	20.88

Note 1. Pursuant to Article 26 of the Securities and Exchange Act, the minimum number of shares held by all directors of the Company shall be 12,000,000 shares.

Note 2. The Audit Committees shall take place of the Supervisors. Therefore, requirement for the minimum number of shares held by supervisors shall not be applicable.

Note 3. The information on positions held on April 30, 2020.

## Appendix VI

### Effect upon business performance, earnings per share and return on investment of any stock dividend distribution:

Unit: NT\$1,000; shares

Item	Year	2019 (Estimated)
Beginning paid-in capital		2,129,600
Distribution of dividends during the year	Cash dividend per share (NT\$)	NT\$0.88 (Note 2)
	Number of shares are distributed in connection with a capital increase out of earnings (shares)	50 shares (Note 2)
	Number of shares are distributed in connection with a capital increase out of capital reserve (shares)	0 shares (Note 2)
Changes in operating performance	Operating profit	Note 1
	Percentage of increase (decrease) in operating profit over the same period in the previous fiscal year	
	Net profit after tax	
	Percentage of increase (decrease) in net profit after tax compared to the same period last year	
	Earnings per share	
	Percentage of increase (decrease) in earnings per share compared to the same period last year	
	Annual average return on investment (reciprocal of average annual price-to-earnings ratio)	
Pro forma earnings per share and price-to-earnings ratio	If capital increase by retained earnings is entirely replaced by cash dividend distribution	Pro forma earnings per share
		Pro-forma average annual return on investment
	If capital reserve is not used for capital increase	Pro forma earnings per share
		Pro-forma average annual return on investment
	If capital reserve has not been undertaken and profit reinvestment was changed to distribute cash dividend	Pro forma earnings per share
		Pro-forma average annual return on investment

Note 1. The Company is not required to prepare any financial forecast for 2020. Therefore, it is not applicable.

Note 2. The distribution of dividends is still pending the resolution of the shareholders' meeting.