



# **2020 Annual Shareholders' Meeting Meeting Agenda (Translation)**

May 27, 2020

Note to Readers:

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

# Taiming Assurance Broker Co., Ltd.

## Table of Contents

<b>Meeting Procedure .....</b>	<b>1</b>
<b>Matters to Report.....</b>	<b>2</b>
1. 2019 Business Report .....	2
2. 2019 Audit Committee's Review Report .....	6
3. 2019 Compensation to Directors and Employees.....	7
4. Amendment to the Company's Ethical Corporate Management Best Practice Principles .....	7
<b>Proposals .....</b>	<b>8</b>
1. 2019 Business Report and Financial Statements .....	8
2. Adoption of the Proposal for Distribution of 2019 Profits .....	8
<b>Discussions.....</b>	<b>10</b>
1. Amendment to the Company's Corporate Charter.....	10
2. Amendment to the Company's Rules Governing Shareholders' Meetings .....	10
3. Amendment to the Company's Operating Procedure for Acquisition and Disposal of Assets .....	11
4. Amendment to the Company's Procedures for Engaging in Derivatives Trading .....	11
<b>Extempore Motions.....</b>	<b>11</b>
<b>Attachments.....</b>	<b>12</b>
1. Comparison Table of Draft Amendment to the Company's Ethical Corporate Management Best Practice Principles .....	12
2. Certified Public Auditors' Report and Financial Statements.....	22
3. Adoption of the Proposal for Distribution of 2019 Profits .....	45
4. Comparison Table of Draft Amendment to the Company's Corporate Charter .....	46
5. Comparison Table of Draft Amendment to the Company's Rules Governing Shareholders' Meetings.....	50
6. Comparison Table of Draft Amendment to the Company's Operating Procedure for Acquisition and Disposal of Assets.....	59
7. Comparison Table of Draft Amendment to the Company's Procedures for Engaging in Derivatives Trading.....	100
<b>Appendix.....</b>	<b>109</b>
1. The Company's Rules Governing Shareholders' Meetings.....	109
2. The Company's Corporate Charter .....	118
3. The Company's Ethical Corporate Management Best Practice Principles .....	122
4. The Company's Operating Procedure for Acquisition and Disposal of Assets .....	128
5. The Company's Procedure for Engaging in Derivatives Trading.....	143
6. Information Regarding Compensation to Employees and Directors.....	149
7. The Effect of Dividend Distribution on the Company's Operating Performance, Earnings per Share, and Return on Equity .....	149
8. Shareholding of the 7th Board of Directors.....	150
<b>Additional Information.....</b>	<b>151</b>

# Meeting Procedure

Taiming Assurance Broker Co., Ltd.

## Meeting Procedure of 2020 Annual General Shareholders' Meeting

Time: 9:00 a.m. on Wednesday, May 27, 2020

Place: Conference Hall, 6th Floor, No. 49, Guanqian Rd., Taipei

1. Call the Meeting to Order
2. Chairman Remarks
3. Matters to Report
4. Proposals
5. Discussions
6. Extempore Motions
7. Adjournment

# Matters to Report

## 1. 2019 Business Report

In 2019, the Company has cooperated with its competitors in the industry to usher in a new era of cooperation with consolidated revenue growth of 19.83%. The Company obtained 100% equity of Link-Aim Life Insurance Broker Co., Ltd., a company that has achieved excellent operating performance, in June 2019 through stock swap, to jointly promote the professional insurance brand of retirement and expand the scale of insurance brokerage in Greater China.

In 2019, the Company has set a milestone in the development of fintech, successfully combining three major mobile operating systems, namely marketing assistance, mobile insurance, to meet the daily business needs of the employees in the insurance business, while engaging in digital platforms to significantly enhance its digital competitiveness.

The Company's 2019 annual business operation, 2020 annual business plan, future development strategies, external competitions, and regulatory environment, and overall operation environment are described as follows:

### I. 2019 Financial and Business Performance

#### (1) Revenue:

The net operating revenue of the Company and its subsidiaries for 2019 was NT\$ 863,520 thousand, an increase of NT\$ 142,914 thousand from NT\$ 720,606 thousand for 2018, representing an increase of 19.83%.

#### (2) Profit:

The Company and its subsidiaries consolidated net profit before tax for 2019 was NT\$ 88,097 thousand. Net profit after tax was NT\$74,501 thousand. The basic earnings per share before tax were NT\$3.59, and the basic earnings per share after tax was NT\$ 3.04.

### II. 2020 Business Plan

#### (1) Operating Objectives

1. The Company has established a Strategic Team in 2020 to intensively develop the Company's business development policy in line with the five main themes, namely "product planning," "system development," "recruitment of the organization," "business actions," and "competition strategy, to introduce innovative thinking and promote the joint development of employees working inside and outside the office.

2. The Company will continue to promote financial technology. After successfully introducing the mobile insurance App for five life insurance companies in 2019, the Company will continue to work with insurance companies to promote the mobile insurance business to achieve the goal of comprehensive mobile insurance in 2020.
3. The Company will launch the workplace 2.0 and introduce mobile offices like beautiful coffee shops, to allow employees to work in a comfortable office and to serve customers in a comfy environment, while maximizing the economic scale through application of diversity and attracting young business salespeople to join the Company.
4. The Company will seek cooperation with likeminded partners in the same industry and other industries to jointly create a market and an administrative digital platform.
5. The Company will develop the insurance financial market in Mainland China to promote health and medical insurance and pension insurance, so as to ensure a carefree retirement life despite injuries or disability.

## (2) Important Product and Sales Policies

1. The Company has established a product research and development team to select a wide range of insurance companies' combined products that are useful to policyholders with complete protection. The team members investigate all wide range of information in-depth, including product terms, claims covered, and declared interest rates, to provide the best resources for its sales employees to promote the products.
2. The Company has established an action team for marketing and promotion to develop night-time training and diversified weekend classes, to increase employees' productivity. After the marketing and promotion in the daytime, the employees can also improve their professional knowledge and learn to overcome marketing difficulties through interactive learning.
3. In line with the annual goals of "professional @ innovation" and development of insurTech, the Company will focus on improving the business marketing and soliciting mobile tools to continuously establish a mobile financial instrument; sales employees can use mobile devices and apps to check point of sale materials, online insuring, production information, policy information, application progress, as well as performance and commissions through single sign-on (SSO), to facilitate their speed of services for policyholders and self-management.

4. Online learning classes: The Company has established various online classes, such as anti-money laundering, compliance, certificate classes, and project-based learning, to learn new knowledge beyond the limit time through digital learning.
5. The Company will continue to promote the professional honor and professional training of MDRT, IDA, and FChFP, while promoting the recruitment and implementation by all personnel, with every employee as the Taiming ambassador to improve the recruitment and actual performance.

### III. Developmental Strategies in the Future

The Company will continue to be the most professional brand of retirement and plan a secured elderly life for policyholders, while taking into account the needs of pensions and medical care. Through the establishment of the brand and the recruitment of excellent talent teams, the Company will guide younger groups to plan for their middle-aged and elderly stages early to protect their needs at these stages of life and help them achieve a care-free and LAHOS retirement life.

The Company takes the Greater China market as its development territory, and, strategically, regards the joint development of the insurance industry as its long-term goal.

### IV. Influences from external, regulatory and overall business environment

The spread of the novel coronavirus pneumonia epidemic in early 2020 has caused a huge impact on the global economic development. The sudden decline in operating revenue, the coordination of capital flows, and personal health and safety have all resulted in impact and pressures on enterprises and individuals, testing all businesses' and personnel's capabilities and resilience against stress. The arrival of this unexpected black swan has highlighted the importance of risk control and insurance protection. After the vaccine for the epidemic is successfully developed and the epidemic is under control, the demand for insurance will also grow explosively. When the risk of face-to-face transactions and training becomes higher, technological tools without physical contact will be more valued in the future, and the Company has already been ahead of the curve to develop and build them.

The Company will uphold the principle that insurance is the cornerstone of social stability and will continue to promote the importance of insurance for all customers in Greater China, while continuing with the innovative development of fintech to assist sales employees in the service of policyholders.

The competent authorities have been tightening the regulations on consumer protection, information security, money-laundering prevention, and anti-terrorism

funding and required the businesses to establish stringent monitoring systems, which has also increased pressure on the businesses. The company has established internal control, internal audit, and legal compliance systems in accordance with the laws and regulations to keep abreast of the latest development in laws and regulations. In addition to the education and training on compliance, it conducts compliance inspections and audit every year to implement prevention and supervision as required.

The Company adheres to its original intention of establishing Taiming and hopes to become the best choice for insurance salespeople in Greater China and the company with the best customer services. We will repay shareholders' love and support with our complete corporate governance and stable operation and development.

Ladies and gentlemen, wish you good health and all the best.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

## **2. 2019 Audit Committee's Review Report**

### **Audit Committee's Review Report**

The Board of Directors of Taiming Assurance Broker Co., Ltd. (TABC) has submitted the Company's 2019 Business Report, Financial Statements, and Distribution of Profits to the Audit Committee. Mr. Wang-Sheng Lin and Mr. Wen-Ya Hsu, the certified public accountants (CPAs) from the CPA firm of Deloitte & Touche, were commissioned by the Board to audit TABC's Financial Statements and have issued an audit report.

The aforementioned Business Report, Financial Statements, and Distribution of Profits have been reviewed and determined to be correct and accurate by the Audit Committee of TABC. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report on behalf of all members of the committee to the 2020 Annual General Shareholders' Meeting for ratification.

Sincerely,

2020 Annual General Shareholders' Meeting of TABC

Chairman of the Audit Committee: Chien-Hsiang Chang

March 27, 2020



### **3. 2019 Compensation to Directors and Employees**

In accordance with Article 18-1 of the Company's Corporate Charter, Two percent (2%) of the Company's profits for 2019 is compensation to directors and employees with NT\$1,977,991 to directors and employees, respectively, and both of which are distributed in cash.

### **4. Amendment to the Company's Ethical Corporate Management Best Practice Principles**

In accordance with Financial Supervisory Commission Official Letter No. Zheng-Fa-1080307434 regarding the amendment to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies issued on May 16, 2019, it is planned to amend some provisions of the Company's Ethical Corporate Management Best Practice Principles; the Comparison Table of Draft Amendment to Ethical Corporate Management Best Practice Principles is provided for reference (see Attachment 1 from pages 9 to 14).

# Proposals

## 1. 2019 Business Report and Financial Statements

Proposed by the Board

Proposal: Adoption of the 2019 Business Report and Financial Statements

Explanation:

1. The Company's 2019 Business Report (see pages 2-3) and Financial Statements have been prepared and completed and have been reviewed and approved at the 5th meeting of the 3rd Audit Committee of the Company on February 26, 2020; the Audit Committee has issued an audit report (see page 4), which was approved at the 5th meeting of the 7th Board of Directors of the Company on February 26, 2020, and was audited by Wang-Sheng Lin and Wen-Ya Hsu, CPAs of Deloitte & Touche.
2. The Audit Committee's review report is attached hereto as Attachment II (see pages 15-35).

Resolution:

## 2. Adoption of the Proposal for Distribution of 2019 Profits

Proposed by the Board

Proposal: Adoption of the 2019 Earnings Distributions

Explanation:

1. The Company has prepared the distribution of earnings for 2019 in accordance with Article 19 of the Corporate Charter. The distribution of earnings is calculated based on the total number of ordinary shares of 25,024,303.
2. The distribution of earnings is attached (see Attachment 3 on page 36).
3. Henceforward, if the number of outstanding shares in circulation is affected due to the redemption of shares of the Company, equity conversion, or other reasons, resulting in the change of the shareholder dividend ratio and the need for correction, it is proposed to issue a request at the general shareholders' meeting to authorize the chairman of the Board to handle it with full power.

4. After this proposal is approved at the general shareholders' meeting, it is proposed to authorize the chairman of the Board to set the base date, issuance date, and other relevant matters for dividend distribution.

Resolution:

# Discussions

## 1. Amendment to the Company's Corporate Charter

Proposed by the Board

Proposal: Partial Amendment to the Company's Corporate Charter. Please proceed with discussion.

Explanation:

1. It is proposed to amend some provisions of the Company's Corporate Charter in line with the amendment to the Company Act and the Company's practices.
2. The comparison table of the draft amendment is attached (see Attachment 4 from pages 37 to 39).

Resolution:

## 2. Amendment to the Company's Rules Governing Shareholders' Meetings

Proposed by the Board

Proposal: Partial Amendment to the Company's Rules Governing Shareholders' Meetings. Please proceed with discussion.

Explanation:

1. It is proposed to amend some provisions of the Company's Rules Governing Shareholders' Meetings in line with the amendment to the Company Act and the Company's practices.
2. The comparison table of the draft amendment is attached (see Attachment 5 from pages 40 to 45).

Resolution:

### **3. Amendment to the Company's Operating Procedure for Acquisition and Disposal of Assets**

Proposed by the Board

Proposal: Partial Amendment to the Company's Operating Procedure for Acquisition and Disposal of Assets. Please proceed with discussion.

Explanation:

1. It is proposed to amend some provisions of the Company's Operating Procedure for Acquisition and Disposal of Assets in line with Subparagraph 6 of Paragraph 1 of Article 7 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the supervision of subsidiaries.
2. The comparison table of the draft amendment is attached (see Attachment 6 from pages 46 to 65).

Resolution:

### **4. Amendment to the Company's Procedures for Engaging in Derivatives Trading**

Proposed by the Board

Proposal: Partial Amendment to the Company's Procedures for Engaging in Derivatives Trading

Explanation:

1. It is proposed to amend some provisions of the Company's Procedures for Engaging in Derivatives Trading in line with the Company's operations.
2. The comparison table of the draft amendment is attached (see Attachment 7 from pages 66 to 70).

Resolution:

## **Extempore Motions Adjournment**

## Attachments

### 1. Comparison Table of Draft Amendment to Ethical Corporate Management Best Practice Principles

#### Attachment 1.

**Taiming Assurance Broker Co., Ltd.  
Ethical Corporate Management Best Practice Principles  
Comparison Table of Draft Amendment**

Article	Amended Articles	Current Articles	Explanation
Article 5	The Company shall abide by the operational philosophies of honesty, transparency, and responsibility, base policies on the principle of good faith, and, <u>with the approval of the Board of Directors,</u> establish good corporate governance and risk control and management mechanism to create an operational environment for sustainable development.	The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism to create an operational environment for sustainable development.	Based on Paragraphs 3.7 and 5.1.1 of the ISO 37001 anti-bribery management systems announced by International Organization for Standardization (ISO) in October 2016, the anti-bribery management policy of the organization is approved by the board of directors and this article is amended to stipulate the integrity management policy and is approved by the Board of Directors.
Article 7	The Company shall <u>establish an assessment mechanism for the risk of unethical conduct, regularly analyze and evaluate</u> business activities with a higher risk of unethical conduct within the business scope, <u>establish a prevention plan, and regularly review the appropriateness and effectiveness of the</u>	<u>When formulating prevention plans,</u> the Company shall analyze its business activities associated with high risk of unethical conduct within the business scope <u>and strengthen relevant preventive measures.</u>	I. With reference to Paragraph 4.5.1 of ISO 37001 regarding regular bribery risk assessment and the assessment of suitability and effectiveness of existing control methods by organizations and Paragraph 4.5.2 of ISO 37001 regarding the establishment of

	<p><u>prevention plan.</u></p> <p>The Company shall <u>establish a prevention plan based on domestic and international standards or guidelines, covering at least the following:</u></p> <p>I. Offering and acceptance of bribes.</p> <p>II. Illegal political donations.</p> <p>III. Improper charitable donations or sponsorship.</p> <p>IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</p>	<p><u>The prevention plan established by the Company shall at least include preventive measures against the following:</u></p> <p>I. Offering and acceptance of bribes.</p> <p>II. Illegal political donations.</p> <p>III. Improper charitable donations or sponsorship.</p> <p>IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</p>	<p>the category of bribery risk level assessment,</p> <p>Paragraph 1 of this article is amended.</p> <p>II. In order to assist companies listed in the stock and over-the-counter markets in introducing an ethical management (anti-bribery) management mechanism and establish a corporate culture of integrity (anti-bribery), there are universal standards or guidelines at home and abroad for reference, including ISO 37001, GRI 205: Anti -Corruption 2016, and the third edition of the Business Principles for Countering Bribery issued by Transparency International in 2013. Thus, the provision of Paragraph 2 of this article is amended.</p>
Article 8	<p><u>The Company shall ask directors and the senior management to issue a statement on compliance with ethical corporate management policies and also require employees to comply with the ethical corporate management policy.</u></p>		<p>I. The first paragraph is added. With reference to Subparagraph c of Paragraph 7.2.2.2 of ISO 37001 regarding senior management members and directors required to issue a statement on compliance with the anti-bribery policy</p>

	<p>The Company and its group's businesses shall clearly specify in their rules and external documents <u>as well as on the Company's website</u> the ethical corporate management policies and the commitment by the Board of Directors and the senior management to rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities as stated.</p> <p><u>The Company shall prepare documents and retain the documents recording the information in the first two paragraphs regarding integrity management policies, statement, commitment, and implementation.</u></p>	<p>The Company and its group's businesses shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and the management to rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities as stated.</p>	<p>by organizations, and Subparagraph a of Paragraph 7.2.2.1 regarding employees required to comply with the anti-bribery policy under the terms of employment, the contract should include and emphasize the clause of ethical management.</p> <p>II. The current article is amended and move to the second paragraph. In accordance with Paragraph 1 added, Article 3-3 of the Company's Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds regarding the establishment of an official website by companies listed in the stock market, as well as Article 4-1 of the Procedures for Information Declaration of Securities Companies released by Taipei Exchange regarding the establishment of an official website by</p>
--	--	---	--



			<p>companies listed in the OTC market, it is recommended that companies listed in the stock and OTC markets clearly indicate their ethical management policies on their websites as well as the commitment of the board of directors and the senior management to actively implement the ethical management policies.</p> <p>III. The third paragraph is added. With reference to ISO 37001, the relevant policies, procedures, and implementation of enterprises' anti-bribery management mechanism shall be compiled into documents and retained properly, such as Paragraph 4.5.4 on retaining of documents related to the performance of anti-bribery risk assessments; Paragraph 5.2 regarding stating of anti-bribery policies in documents; Paragraph 7.3 concerning the preservation of anti-bribery training procedures, content, time, and participants.</p>
--	--	--	--

Article 17	<p>The directors, managers, employed persons, appointed persons, and substantive controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures, and continually make improvements so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To improve ethical management, the Company shall set up a dedicated unit under the Board of Directors <u>and allocate sufficient resources and qualified personnel to the unit</u> to be responsible for the formulation and supervision of ethical management policy and prevention plans. It is mainly responsible for the following matters and reports to the Board of Directors regularly <u>(at least once a year)</u>:</p> <p>I. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and</p>	<p>The directors, managers, employed persons, appointed persons, and substantive controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures, and continually make improvements so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To improve ethical management, the Company shall set up a dedicated unit under the Board of Directors to be responsible for the formulation and supervision of ethical management policy and prevention plans. It is mainly responsible for the following matters and reports to the Board of Directors regularly:</p> <p>I. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to</p>	<p>I. With reference to Paragraph 5.3.2 of ISO 37001 regarding provision of sufficient resources and qualified personnel for the anti-bribery unit and Paragraph 9.4 regarding the anti-bribery unit reporting to the Board of Directors at least once a year, Paragraph 2 of this Article is amended.</p> <p>II. In line with the amendment to Paragraph 1 of Article 7, Subparagraph 2 of Paragraph 2 of this article is added regarding the main responsibilities of the dedicated unit of ethical management that should include regular analysis and assessment of the risks of unethical conduct within the business scope, and the relevant text is adjusted accordingly.</p>
------------	---	---	--

	<p>malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>II. <u>Regularly analyzing and evaluating the risks of unethical conduct within the business scope</u>, formulating prevention plans for unethical conduct accordingly, and setting the standard operating procedures and behavior guidelines for relevant work related for each plan.</p> <p>III. Planning the internal organization, structure and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>IV. Promoting and coordinating awareness and educational activities with respect to ethics</p>	<p>ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>II. Formulating prevention plans for unethical conduct and setting the standard operating procedures and behavior guidelines for relevant work related for each plan.</p> <p>III. Planning the internal organization, structure and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>IV. Promoting and coordinating awareness and educational activities with respect to ethics</p>	
--	--	--	--

	<p>policy.</p> <p>V. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>VI. Assisting the Board of Directors and the management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are operating effectively, while preparing reports on the assessment of compliance with ethical management in operating procedures regularly.</p>	<p>policy.</p> <p>V. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>VI. Assisting the Board of Directors and the management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are operating effectively, while preparing reports on the assessment of compliance with ethical management in operating procedures regularly.</p>	
Article 20	<p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit unit of the Company shall</p>	<p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit unit of the Company shall</p>	<p>I. With reference to Article 9.2 of ISO 37001 regarding internal audits related to the anti-bribery management system (for example, Subparagraph a of Paragraph 9.2.2 regarding the audit plan that includes the frequency and method of implementation; Subparagraph b of Paragraph 9.2.2 regarding the definition of the</p>

	<p><u>draw up relevant audit plans based on the assessment results of the risk of unethical conduct, including targets audited, scope, auditing items, and frequency, and audit the compliance with prevention plans accordingly, and may appoint CPAs to perform audits; may ask professionals to assist when necessary.</u></p> <p><u>The audit results mentioned in the preceding paragraph shall be reported to the senior management and the dedicated unit of ethical management, and an audit report shall be submitted to the Board of Directors.</u></p>	<p>audit the compliance with <u>the systems mentioned in the preceding paragraph</u> and may appoint CPAs to perform audits; may ask professionals to assist when necessary.</p>	<p>standards and scope of each audit; Paragraph 9.2.3 regarding audit based on risk operations; Paragraph A.16.3 of the Appendix regarding the target audited based on its risk), Paragraph 2 of this article is amended.</p> <p>II. The third paragraph is added. With reference to Subparagraph d of Paragraph 9.2.2 of ISO 37001, it should be sure to notify relevant anti-bribery management system personnel, senior management personnel, and the Board of Directors of audit results. In addition, for structural considerations, the sentence that "an audit report shall be submitted to the Board of Directors" in Paragraph 2 and the notification procedure after the audit performed by the internal audit unit are set out in this Article.</p>
--	---	--	--

Article 23	<p>The Company shall establish and implement a solid reporting system, which shall cover at least the following matters:</p> <p>I. Establishing and announcing internal independent reporting mailboxes, dedicated lines, or entrusting other external independent institutions to provide reporting mailboxes and dedicated lines for internal and external personnel of the Company.</p> <p>II. Designating dedicated personnel or a unit to process cases reported. When a case reported involves a director or a senior management member, it shall be reported to an Independent Director or Supervisor and the type of the case reported and its standard investigation procedure should be set.</p> <p>III. After the investigation of a case reported is completed, subsequent measures shall be taken in accordance</p>	<p>The Company shall establish and implement a solid reporting system, which shall cover at least the following matters:</p> <p>I. Establishing and announcing internal independent reporting mailboxes, dedicated lines, or entrusting other external independent institutions to provide reporting mailboxes and dedicated lines for internal and external personnel of the Company.</p> <p>II. Designating dedicated personnel or a unit to process cases reported. When a case reported involves a director or a senior management member, it shall be reported to an Independent Director or Supervisor and the type of the case reported and its standard investigation procedure should be set.</p>	<p>With reference to Subparagraph c of Paragraphs 8 and 9 of ISO 37001, anonymous reporting is allowed.</p>
------------	--	--	---

	<p>with the seriousness of the circumstances, and if necessary, the case shall be reported the competent authorities or be transferred to the judicial department for investigation.</p> <p>IV. Recording and retaining the acceptance of reported cases, the investigation process, the investigation results, and the production of relevant documents.</p> <p>V. Keeping the identity of the whistle-blower and the content of reporting confidential; anonymous reporting is allowed.</p> <p>VI. Measures to protect whistle-blowers from inappropriate handling because of reporting.</p> <p>VII. Whistleblowing rewarding measures.</p> <p>If a serious violation is found or the Company is in danger of severe losses, the Company's dedicated personnel or unit responsible for accepting the case shall immediately notify Independent Directors in writing.</p>	<p>III. Recording and retaining the acceptance of reported cases, the investigation process, the investigation results, and the production of relevant documents.</p> <p>IV. Keeping the identity of the whistle-blower and the content of reporting confidential;</p> <p>V. Measures to protect whistle-blowers from inappropriate handling because of reporting.</p> <p>VI. Whistleblowing rewarding measures.</p> <p>If a serious violation is found or the Company is in danger of severe losses, the Company's dedicated personnel or unit responsible for accepting the case shall immediately notify Independent Directors in writing.</p>	
--	--	---	--

## **2. Certified Public Auditor's Report and Financial Statements**

### **Attachment 2.**

#### **(Consolidated financial statements)**

##### **Certified Public Auditor's Report**

Taiming Assurance Broker Co., Ltd.

##### **Opinion**

We have audited the accompanying consolidated financial statements of Taiming Assurance Broker Co., Ltd. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, as well as the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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 Company 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 Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

##### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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. The personnel of the accounting firm to which the CPAs belong, who are subject to independence, are independent from the Taiming Assurance Broker Co., Ltd. in accordance with the code of professional ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. 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.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2019 are stated as follows :

### Revenue recognition

#### Key audit matters

The Taiming Company's revenue of 2019 totaled at NT\$863,520 thousand, of which, NT\$508,378 thousand were commissions of the first-year premium and renewed annual premium from the top 10 insurance companies, totaled for 59% of the revenue.

For the recognition of the commission revenue of Taiming Company, after the performance obligations of customers' contracts are identified, relevant transaction prices are determined; then, the transaction prices are allocated to each performance obligation, and the revenue is recognized when each performance obligation is met. The transaction price of the relevant contract is calculated using the information system based on calculation factors such as the premium of the brokerage insurance products and the commission rate agreed with insurance companies. Therefore, the correctness and authenticity of the calculation of the commission revenue from the first-year premium and renewed annual premium from the top ten insurance companies recognized are listed as the key audit matters.

Please refer to Note 4 for accounting policy on commission revenue recognition.

#### Audit procedure

1. Identify the relevant internal control mechanism built by the management for correct calculation of commission revenue and observe how it operates.
2. Obtain the commission details of the life insurance and group insurance policies of the top ten insurance companies from the policy information system to confirm the completeness of the data, select samples, verify them with the statement details provided by these insurance companies, and recalculate to check whether they are consistent with the commissions that include the transaction prices.
3. After the completeness of the revenue details of the insurance policy commission accounts of the top ten insurance companies is confirmed, select samples, verify them with the statement details provided by these insurance companies, and check the reconciliation items.
4. Review the calculation table of the transaction prices allocated to each performance obligation and check if the allocation method and logic are consistent.

## Purchase price allocation of subsidiaries acquired

### Key audit matters

The Taiming Company obtained 100% equity of Link-Aim Life Insurance Broker Co., Ltd. (Link-Aim) through a consideration of NT\$60,000 thousand in cash and NT\$60,000 thousand in ordinary shares issued in June 2019. Goodwill arising from the acquisition was NT\$68,537 thousand, accounting for 8% of total consolidated assets. According to the International Financial Reporting Standards, the management has completed the identification of the difference between the investment cost and the net fair value share of the identifiable assets and liabilities of Link-Aim within one year from the acquisition date.

The net fair value of the identifiable assets and liabilities of the invested company in the acquisition and the allocation of goodwill are based on management's assessment, which involves assumptions such as accounting estimates. Therefore, the equity price allocation transaction of the acquisition of the aforementioned company is listed as a key audit matter.

Please refer to Note 4 for accounting policies relating to business combinations.

### Audit procedure

1. Verify the minutes of the Board of directors and the minutes of the shareholders' meeting while reviewing the equity transfer contract and verifying the relevant documents of the purchase price.
2. Inquire about and evaluate the professional ability, competence, and objectivity of external assessment experts recruited by the management for the process of identifying and assessing goodwill.
3. Assess the reasonableness of the assumptions adopted by the management in the process of allocating the purchase price, and entrust financial consulting experts at our firm to assist in the implementation of relevant procedures to evaluate the reasonableness of the content of the purchase price allocation report (including the valuation model and the parameters adopted) issued by the external assessment experts recruited by the management]
4. Verify the correctness of the valuation results, obtain the consolidated entries, and confirm that assets acquired through consolidation have been recognized based on the aforementioned price allocation results.

### Other matter

We have also audited the parent company only financial statements of Taiming Assurance Broker Co., Ltd. as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

### **Responsibilities of the management and the governance unit for consolidated financial statements**

The 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 Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and should maintain the necessary internal control related to the preparation of the consolidated financial statements to ensure that there are no material misstatements in the consolidated financial statements that result from fraud or error.

In preparing the consolidated financial statements, the management's responsibilities also include the assessment of the Taiming Company's going concern ability, the disclosure of relevant matters, and the adoption of the accounting base for going concern, unless the management intends to liquidate the Taiming Company or close the business, or there is no other feasible solution except for liquidation or closing of the business.

The governance unit (including the Audit Committee) of the Taiming Company is responsible for overseeing the financial reporting process.

### **CPAs' responsibility of auditing consolidated financial statements**

The purpose of the CPAs' auditing of the consolidated financial statements is to obtain reasonable assurance as to whether the consolidated financial statements as a whole have significant misstatements that result from fraud or error and to issue an audit report. Reasonable assurance is a high degree of assurance, but an audit performed in accordance with the generally accepted auditing standards cannot guarantee that a material misstatement in the consolidated financial statements will be detected. Misstatement may result from fraud or error. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

We exercised our professional judgment and maintained professional skepticism throughout the audit in accordance with the generally accepted auditing standards. We also implemented the following tasks:

1. Identify and evaluate the risks of material misstatements of the consolidated financial statements as a result of fraud or error; design and implement appropriate response measures to the risks assessed, and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve conspiracy, forgery, intentional omissions, misstatements, or breach of internal control, the risk of not detecting a material misstatement that is due to fraud is higher than that caused by error.
2. Obtain the necessary understanding of the internal control related to the audit to design the appropriate auditing procedures at the time, but the purpose is not to express opinions on the effectiveness of the internal control of the Taiming Company.
3. Assess the appropriateness of the accounting policies adopted by the management, the reasonableness of the accounting estimates, and relevant disclosures.
4. Draw conclusions on the appropriateness of the management's use of the accounting base for going concern and whether there are significant uncertainties in the events or circumstances that may cause major doubts about the Taiming Company's going

concern ability based on the audit evidence obtained. If we believe that there is significant uncertainty in these events or circumstances, we must remind users of the consolidated financial statements in the audit report to pay attention to the relevant disclosures of the consolidated financial statements, or amend the audit opinions when such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Taiming Company to not have the going concern ability.

5. Evaluate the overall expression, structure, and content of the consolidated financial statements (including relevant notes), as well as whether the consolidated financial statements properly represent relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities within the group to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the Company's audit and for forming the audit opinion of the Company.

The matters communicated between us and the governance unit include the planned scope and time of the audit and material audit findings (including the significant deficiencies in the internal control identified during the audit).

We also provides the governing unit with a statement that the firm to which the personnel belong who are subject to independence and has followed the statement of independence in the code of professional ethics and communicate with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of CPAs.

From the matters communicated with the governing unit, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We state these matters in the audit report, unless the law does not allow public disclosure of specific matters, or in rare cases, we decide not to communicate specific matters in the audit report because it is reasonable to anticipate the negative effects of such communication outweigh the public interest enhanced.

Deloitte & Touche  
CPA Wang-Sheng Lin

CPA Wen-Ya Hsu

Financial Supervisory Commission  
Approval Document No.  
Financial Supervisory Commission  
Official Letter No. Zheng-Shen –  
1060023872

Securities and Futures Bureau Approval  
Document No.  
Tai-Cai-Zheng-6 No. 0920123784

March 19, 2020

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail. Also, as stated in Note X to the financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.*

**Taiming Assurance Broker Co., Ltd. and Subsidiaries**

**Consolidated Balance Sheet**

**December 31, 2019 and 2018**

Unit: NT\$ thousands

Code	Assets	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 85,152	11	\$ 109,712	17
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	110,347	14	108,772	17
1120	Financial assets at fair value through other comprehensive income-current (Notes 4 and 8)	41,574	5	33,825	5
1136	Financial assets at amortized cost - current (Notes 4 and 9)	-	-	13,500	2
1140	Contract assets - current (Notes 4 and 19)	48,872	6	37,189	6
1170	Notes and accounts receivable (Notes 4, 10, and 27)	137,078	17	98,901	15
1200	Other receivables	1,070	-	2,502	1
1470	Other current assets	1,755	-	1,966	-
11XX	Total current assets	<u>425,848</u>	<u>53</u>	<u>406,367</u>	<u>63</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	105,355	13	91,255	14
1550	Investments accounted for using equity method (Notes 4 and 11)	4,562	1	2,861	-
1560	Contract assets - non-current (Notes 4, and 19)	22,674	3	12,842	2
1600	Immovable property and equipment (Notes 4 and 12)	52,492	7	47,458	7
1755	Right-of-use asset assets (Notes 4 and 13)	48,687	6	-	-
1760	Net Real Estate Investment (Note 4 and 14)	67,944	8	68,308	11
1805	Goodwill (Note 24)	68,537	8	-	-
1840	Deferred tax assets (Notes 4 and 22)	2,194	-	9,922	2
1990	Other non-current assets- others (Notes 4 and 17)	11,220	1	8,704	1
15XX	Total non-current assets	<u>383,665</u>	<u>47</u>	<u>241,350</u>	<u>37</u>
1XXX	Total assets	<u>\$ 809,513</u>	<u>100</u>	<u>\$ 647,717</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2150	Bills payable	\$ 30	-	\$ 17	-
2200	Other payables (Note 15)	161,418	20	132,992	21
2230	Current income tax liabilities (Notes 4 and 22)	8,018	1	12,383	2
2280	Lease liabilities - current (Notes 4 and 13)	20,066	3	-	-
2399	Other current liabilities - others	11,486	1	9,393	1
21XX	Total current liabilities	<u>201,018</u>	<u>25</u>	<u>154,785</u>	<u>24</u>
	Non-current liabilities				
2550	Provisions - non-current (Notes 4 and 16)	10,692	1	9,940	1
2570	Deferred income tax liabilities (Notes 4 and 22)	100	-	10,098	2
2580	Lease liabilities - non-current (Notes 4 and 13)	29,142	4	-	-
2610	Long-term payables (Note 15)	29,727	4	20,426	3
2645	Guarantee deposit received	506	-	507	-
2650	Credit balance of investments under equity method (Note 11)	2,079	-	-	-
25XX	Total non-current liabilities	<u>72,246</u>	<u>9</u>	<u>40,971</u>	<u>6</u>
2XXX	Total Liabilities	<u>273,264</u>	<u>34</u>	<u>195,756</u>	<u>30</u>
	Equity attributable to owners of parent (Notes 4 and 18)				
3110	Capital of common shares	250,243	31	236,880	37
3200	Capital surplus	92,500	11	51,892	8
	Retained earnings				
3310	Appropriated as legal capital reserve	96,629	12	89,048	14
3320	Appropriated as special capital reserve	31,921	4	1,488	-
3350	Undistributed earnings	75,050	9	99,001	15
3300	Total retained earnings	203,600	25	189,537	29
3400	Other equity	( 10,094 )	( 1 )	( 31,921 )	( 5 )
31XX	Equity attributable to shareholders of the parent	536,249	66	446,388	69
36XX	Non-controlling interests (Note 18)	-	-	5,573	1
3XXX	Total equity	<u>536,249</u>	<u>66</u>	<u>451,961</u>	<u>70</u>
	Total liabilities and equity	<u>\$ 809,513</u>	<u>100</u>	<u>\$ 647,717</u>	<u>100</u>

The accompanying notes are a part of these consolidated financial statements.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

**Taiming Assurance Broker Co., Ltd. and Subsidiaries**  
**Consolidated Comprehensive Income Statement**  
**January 1 to December 31, 2019 and January 1 to December 31, 2018**

Unit: NT\$ thousands  
(The unit of earnings per share is NT\$)

Code		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 19, and 27)	\$ 863,520	100	\$ 720,606	100
5000	Operating cost (Notes 20 and 27)	<u>674,378</u>	<u>78</u>	<u>541,848</u>	<u>75</u>
5950	Gross profit	<u>189,142</u>	<u>22</u>	<u>178,758</u>	<u>25</u>
	Operating expenses (Notes 20 and 27)				
6100	Selling expenses	12,754	1	13,459	2
6200	Administrative expenses	<u>90,917</u>	<u>11</u>	<u>89,312</u>	<u>12</u>
6000	Total operating expenses	<u>103,671</u>	<u>12</u>	<u>102,771</u>	<u>14</u>
6900	Net operating profit	<u>85,471</u>	<u>10</u>	<u>75,987</u>	<u>11</u>
	Non-operating income and expenses				
7010	Other revenue (Note 20)	7,088	1	7,468	1
7020	Other gains and losses (Note 20)	1,858	-	814	-
7050	Finance costs	( 957 )	-	-	-
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	( <u>5,363</u> )	( <u>1</u> )	( <u>231</u> )	-
7000	Total non-operating income and expenses	<u>2,626</u>	<u>-</u>	<u>8,051</u>	<u>1</u>
7900	Net profit before tax	88,097	10	84,038	12
7950	Income tax expense (Notes 4 and 22)	<u>20,585</u>	<u>2</u>	<u>19,168</u>	<u>3</u>
8200	Net profit for the year	<u>67,512</u>	<u>8</u>	<u>64,870</u>	<u>9</u>
	Other comprehensive income				
8310	Items that will not be reclassified to profit or loss				

(Continued on next page)

(Continued from previous page)

Code		2019		2018	
		Amount	%	Amount	%
8311	Remeasurement of defined benefit plans	( 61 )	-	( 86 )	-
8316	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	21,849	2	( 30,489 )	( 4 )
8349	Relevant income taxes of effects of remeasurement of defined benefit plans	<u>12</u>	<u>-</u>	<u>4</u>	<u>-</u>
		<u>21,800</u>	<u>2</u>	<u>( 30,571 )</u>	<u>( 4 )</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	<u>84</u>	<u>-</u>	<u>( 567 )</u>	<u>-</u>
		<u>84</u>	<u>-</u>	<u>( 567 )</u>	<u>-</u>
8300	Other comprehensive income (net, after tax)	<u>21,884</u>	<u>2</u>	<u>( 31,138 )</u>	<u>( 4 )</u>
8500	Total comprehensive income for the year	<u>\$ 89,396</u>	<u>10</u>	<u>\$ 33,732</u>	<u>5</u>
	Net profit attributable to:				
8610	Owners of parent	\$ 74,501	9	\$ 75,806	11
8620	Non-controlling interests	( 6,989 )	( 1 )	( 10,936 )	( 2 )
8600		<u>\$ 67,512</u>	<u>8</u>	<u>\$ 64,870</u>	<u>9</u>
	Total comprehensive income attributable to:				
8710	Owners of parent	\$ 96,279	11	\$ 45,131	6
8720	Non-controlling interests	( 6,883 )	( 1 )	( 11,399 )	( 1 )
8700		<u>\$ 89,396</u>	<u>10</u>	<u>\$ 33,732</u>	<u>5</u>
	Earnings per share (Note 23)				
9750	Basic	<u>\$ 3.04</u>		<u>\$ 3.20</u>	
9850	Diluted	<u>\$ 3.04</u>		<u>\$ 3.19</u>	

The accompanying notes are a part of these consolidated financial statements.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang



**Taiming Assurance Broker Co., Ltd. and Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**January 1 to December 31, 2019 and January 1 to December 31, 2018**

Unit: NT\$ thousands

		Equity attributable to owners of the parent										
							Other Equity Items					
Code		Capital of common shares	Capital surplus	Retained earnings Appropriated as legal capital reserve	Appropriated as special capital reserve	Undistributed earnings	Unrealized profit or loss on available-for-sale financial assets	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Total	Non- controlling interests (Note 18)	Total equity
A1	Balance as of January 1, 2018	\$ 236,880	\$ 51,892	\$ 80,078	\$ -	\$ 109,536	\$ -	( \$ 75 )	( \$ 1,253 )	\$ 477,058	\$ -	\$ 477,058
	Appropriation and distribution of 2017 earnings											
B1	Appropriated as legal capital reserve	-	-	8,970	-	( 8,970)	-	-	-	-	-	-
B3	Appropriated as special capital reserve	-	-	-	1,488	( 1,488)	-	-	-	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	( 75,801)	-	-	-	( 75,801)	-	( 75,801)
D1	2018 Net profit	-	-	-	-	75,806	-	-	-	75,806	( 10,936)	64,870
D3	2018 Other Comprehensive Income (Loss) after tax	-	-	-	-	( 82)	-	( 104 )	( 30,489 )	( 30,675)	( 463)	( 31,138)
D5	Total comprehensive income (loss) in 2018	-	-	-	-	75,724	-	( 104 )	( 30,489 )	45,131	( 11,399)	33,732
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	16,972	16,972
Z1	Balance as of December 31, 2018	236,880	51,892	89,048	1,488	99,001	-	( 179 )	( 31,742 )	446,388	5,573	451,961
A3	Effects of retrospective application and retrospective restatement	-	-	-	-	( 331)	-	-	-	( 331)	( 145)	( 476)
A5	Adjusted balance as of January 1, 2019	236,880	51,892	89,048	1,488	98,670	-	( 179 )	( 31,742 )	446,057	5,428	451,485
	Appropriations and distribution of 2018 retained earnings:											
B1	Appropriated as legal capital reserve	-	-	7,581	-	( 7,581)	-	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	30,433	( 30,433)	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	( 60,058)	-	-	-	( 60,058)	-	( 60,058)
	Other changes in capital surplus:											
C7	Changes in equity of associates and joint ventures accounted for under the equity method	-	2,729	-	-	-	-	-	-	2,729	-	2,729
C15	Cash dividends distributed from capital surplus	-	( 8,758)	-	-	-	-	-	-	( 8,758)	-	( 8,758)
H1	Stock issued for pursuant to acquisitions	13,363	46,637	-	-	-	-	-	-	60,000	-	60,000
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	1,455	1,455
D1	2019 Net profit	-	-	-	-	74,501	-	-	-	74,501	( 6,989)	67,512
D3	2019 Other comprehensive Income (loss) after tax	-	-	-	-	( 49)	-	( 22 )	21,849	21,778	106	21,884
D5	Total comprehensive income (loss) in 2019	-	-	-	-	74,452	-	( 22 )	21,849	96,279	( 6,883)	89,396
Z1	Balance as of Dec. 31, 2019	\$ 250,243	\$ 92,500	\$ 96,629	\$ 31,921	\$ 75,050	\$ -	( \$ 201 )	( \$ 9,893 )	\$ 536,249	\$ -	\$ 536,249

The accompanying notes are a part of these consolidated financial statements.

Chairman of the Board: Cheng-Chih Li

Manager: Yang-Kuo Chen

Accounting Manager: Shu-Fen Yang

**Taiming Assurance Broker Co., Ltd. and Subsidiaries**  
**Consolidated Statement of Cash Flows**  
**January 1 to December 31, 2019 and January 1 to December 31, 2018**

Unit: NTD thousands

Code		2019	2018
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 88,097	\$ 84,038
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation	26,087	3,305
A20200	Amortization	51	-
A20300	Gain on reversal of bad debts	( 61)	( 4)
A20400	Net profit (loss) of financial assets measured by financial asset at Fair value	( 1,575)	( 671)
A20900	Finance costs	957	-
A21200	Interest income	( 2,431)	( 2,523)
A21300	Dividend income	( 2,288)	( 2,589)
A22300	Share of profit (loss) of associates & joint ventures accounted for using equity method	5,363	231
A29900	Profit (loss) of lease modification	( 31)	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	( 12,356)	15,328
A31150	Bills and accounts receivable	( 21,442)	( 8,683)
A31180	Other receivables	4,353	1,110
A31220	Prepaid pension cost	( 100)	( 101)
A31240	Other current assets	( 438)	( 392)
A32130	Bills payable	( 3,782)	( 214)
A32180	Other payables	10,540	( 3,280)
A32200	Liability reserve	752	( 172)
A32230	Other current liabilities	1,314	1,269
A33000	Cash inflow from operating activities	93,010	86,652
A33500	Income tax paid	( 28,587)	( 14,176)
AAAA	Net cash inflow from operating activities	<u>64,423</u>	<u>72,476</u>
	Cash flow from investing activities		
B00010	Financial assets at fair value through other comprehensive gains and losses	-	( 1,248)
B00030	Financial assets measured at FVTOCI - return of capital due to capital reduction	-	1,996

(Continued on next page)

(Continued from previous page)

Code		2019	2018
B00050	Disposal of financial assets at amortized cost	13,500	-
B00100	Acquisition of financial assets mandatorily measured at FVTPL	-	( 30,000)
B00200	Disposal of financial assets mandatorily measured at FVTPL	-	29,987
B01800	Acquisition of investment using equity method	( 2,000)	( 1,155)
B02200	Acquisition of net cash inflow from subsidiaries	( 17,328)	4,220
B02700	Acquisition of immovable property and equipment	( 2,375)	( 1,798)
B03700	Increase (decrease) in guarantee deposit paid	90	( 106)
B06700	Increase (decrease) in other non-current assets	158	( 132)
B02300	Derecognition of net cash outflow from subsidiaries	( 4,688)	-
B07500	Interest received	1,486	2,523
B07600	Dividends received	<u>2,288</u>	<u>2,589</u>
BBBB	Net cash inflow (outflow) from investing activities	( <u>8,869</u> )	<u>6,876</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	9,100	-
C03100	Increase in deposits received	( 1)	3
C04020	Repayment of the principal amount of lease liabilities	( 20,172)	-
C04500	Cash dividends issued	( 68,816)	( 75,801)
C05600	Interest paid	( 225)	-
C05800	Change in non-controlling interests	<u>-</u>	<u>10,328</u>
CCCC	Net cash outflow from financing activities	( <u>80,114</u> )	( <u>65,470</u> )
EEEE	Net increase (decrease) in cash and cash equivalents	( 24,560)	13,882
E00100	Balance of cash and cash equivalents at beginning of year	<u>109,712</u>	<u>95,830</u>
E00200	Balance of cash and cash equivalents at end of year	<u>\$ 85,152</u>	<u>\$ 109,712</u>

The accompanying notes are a part of these consolidated financial statements.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

## **(Parent Company Only Financial Statement)**

### **Certified Public Auditor's Report**

Taiming Assurance Broker Co., Ltd.

#### **Opinion**

We have audited the accompanying parent company only financial statements of Taiming Assurance Broker Co., Ltd. , which comprise the parent company only balance sheets as of December 31, 2019 and 2018, and the parent company only financial statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

Per opinions of the firm's CPAs, the parent company only financial statements mentioned in paragraph one have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and can be reasonably assessed to present the parent company only financial conditions of Taiming Assurance Broker Co., Ltd. as of Dec. 31, 2019 and 2018, as well as the parent company only financial performance and parent company only cash flow from Jan. 1 to Dec. 31, 2019 and 2018.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. The personnel of the accounting firm to which the CPAs belong, who are subject to independence, are independent from the Taiming Assurance Broker Co., Ltd. in accordance with the code of professional ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for Taiming Assurance Broker Co., Ltd.'s parent company only financial statements for the year ended December 31, 2019 are stated as follows :

### **Revenue recognition**

#### **Key audit matters**

Taiming Assurance Broker Co., Ltd.'s operating revenue of 2019 totaled at NT\$ 726,599 thousand, in which, NT\$429,858 thousand were commissions for the first-year premium and renewed annual premium from the top 10 insurance companies, accounting for 59% of the total revenue.

For the recognition of the commission revenue of Taiming Company, after the performance obligations of customers' contracts are identified, relevant transaction prices are determined; then, the transaction prices are allocated to each performance obligation, and the revenue is recognized when each performance obligation is met. The transaction price of the relevant contract is calculated using the information system based on calculation factors such as the premium of the brokerage insurance products and the commission rate agreed with insurance companies. Therefore, the correctness and authenticity of the calculation of the commission revenue from the first-year premium and renewed annual premium from the top ten insurance companies recognized are listed as the key audit matters.

Please refer to Note 4 for accounting policy on commission revenue recognition.

#### **Audit procedure**

1. Identify the relevant internal control mechanism built by the management for correct calculation of commission revenue and observe how it operates.
2. Obtain the commission details of the life insurance and group insurance policies of the top ten insurance companies from the policy information system to confirm the completeness of the data, select samples, verify them with the statement details provided by these insurance companies, and recalculate to check whether they are consistent with the commissions that include the transaction prices.
3. After the completeness of the revenue details of the insurance policy commission accounts of the top ten insurance companies is confirmed, select samples, verify them with the statement details provided by these insurance companies, and check the reconciliation items.
4. Review the calculation table of the transaction prices allocated to each performance obligation and check if the allocation method and logic are consistent.

#### **Responsibilities of the management and the governance unit for the parent company only financial statements**

The management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and should maintain the necessary internal control related to the preparation of the parent company only financial statements to ensure that there are no material misstatements in the parent company only financial

statements that result from fraud or error.

In preparing the parent company only financial statements, the management's responsibilities also include the assessment of the going concern ability of Taiming Assurance Broker Co., Ltd., the disclosure of relevant matters, and the adoption of the accounting base for going concern, unless the management intends to liquidate Taiming Assurance Broker Co., Ltd. or close the business, or there is no other feasible solution except for liquidation or closing of the business.

The governance unit (including the Audit Committee) of Taiming Assurance Broker Co., Ltd. is responsible for overseeing the financial reporting process.

### Responsibilities of the CPAs for auditing the financial statements

The purpose of the CPAs' auditing of the parent company only financial statements is to obtain reasonable assurance as to whether the parent company only financial statements as a whole have significant misstatements that result from fraud or error and to issue an audit report. Reasonable assurance is a high degree of assurance, but an audit performed in accordance with the generally accepted auditing standards cannot guarantee that a material misstatement in the parent company only financial statements will be detected. Misstatement may result from fraud or error. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the parent company only financial statements, they will be deemed as material.

We exercised our professional judgment and maintained professional skepticism throughout the audit in accordance with the generally accepted auditing standards. We also implemented the following tasks:

1. Identify and evaluate the risks of material misstatements of the parent company only financial statements as a result of fraud or error; design and implement appropriate response measures to the risks assessed, and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve conspiracy, forgery, intentional omissions, misstatements, or breach of internal control, the risk of not detecting a material misstatement that is due to fraud is higher than that caused by error.
2. Obtain the necessary understanding of the internal control related to the audit to design the appropriate auditing procedures at the time, but the purpose is not to express opinions on the effectiveness of the internal control of Taiming Assurance Broker Co., Ltd.
3. Assess the appropriateness of the accounting policies adopted by the management, the reasonableness of the accounting estimates, and relevant disclosures.
4. Draw conclusions on the appropriateness of the management's use of the accounting base for going concern and whether there are significant uncertainties in the events or circumstances that may cause major doubts about the going concern ability of Taiming Assurance Broker Co., Ltd. based on the audit evidence obtained. If we believe that there is significant uncertainty in these events or circumstances, we must remind users of the parent company only financial statements in the audit report to pay attention to the relevant disclosures of the consolidated financial statements, or amend the audit

opinions when such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Taiming Assurance Broker Co., Ltd. to not have the going concern ability.

5. Evaluate the overall expression, structure, and content of the parent company only financial statements (including relevant notes), as well as whether the parent company only financial statements properly represent relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities within Taiming Assurance Broker Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for the guidance, supervision, and implementation of this audit and for forming the audit opinion of Taiming Assurance Broker Co., Ltd.

The matters communicated between us and the governance unit include the planned scope and time of the audit and material audit findings (including the significant deficiencies in the internal control identified during the audit).

We also provides the governing unit with a statement that the firm to which the personnel belong who are subject to independence and has followed the statement of independence in the code of professional ethics and communicate with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of CPAs.

From the matters communicated with the governing unit, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We state these matters in the audit report, unless the law does not allow public disclosure of specific matters, or in rare cases, we decide not to communicate specific matters in the audit report because it is reasonable to anticipate the negative effects of such communication outweigh the public interest enhanced.

Deloitte & Touche  
CPA Wang-Sheng Lin

CPA Wen-Ya Hsu

Financial Supervisory Commission  
Approval Document No.  
Financial Supervisory Commission  
Official Letter No. Zheng-Shen –  
1060023872

Securities and Futures Bureau Approval  
Document No.  
Tai-Cai-Zheng-6 No. 0920123784

March 19, 2020

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with 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 parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail. Also, as stated in Note X to the financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.*



**Taiming Assurance Broker Co., Ltd.**  
**Parent Company Only Balance Sheet**  
**December 31, 2019 and 2018**

		Unit: NT\$ thousands			
Code	Assets	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 55,193	7	\$ 105,251	16
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	110,347	15	108,772	17
1120	Financial assets at fair value through other comprehensive income- current (Notes 4 and 8)	41,574	6	33,825	5
1136	Financial assets at amortized cost (Notes 4 and 9)	-	-	13,500	2
1140	Contract assets - current (Notes 4 and 19)	40,242	5	37,189	6
1170	Notes and accounts receivable (Notes 4, 10, and 25)	101,409	13	98,878	16
1200	Other receivables	1,070	-	945	-
1470	Other current assets	<u>1,406</u>	<u>-</u>	<u>925</u>	<u>-</u>
11XX	Total current assets	<u>351,241</u>	<u>46</u>	<u>399,285</u>	<u>62</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	105,355	14	91,255	14
1550	Investments accounted for using equity method (Notes 4 and 11)	120,499	16	5,776	1
1560	Contract assets - non-current (Notes 4, and 19)	18,683	3	12,842	2
1600	Immovable property and equipment (Notes 4 and 12)	44,783	6	46,955	7
1755	Right-of-use asset assets (Notes 4 and 13)	38,009	5	-	-
1760	Investment properties (Notes 4 and 14)	67,944	9	68,308	11
1840	Deferred income tax assets (Notes 4 and 21)	2,169	-	9,922	2
1990	Other non-current assets- others (Notes 4 and 17)	<u>6,644</u>	<u>1</u>	<u>6,319</u>	<u>1</u>
15XX	Total non-current assets	<u>404,086</u>	<u>54</u>	<u>241,377</u>	<u>38</u>
1XXX	Total assets	<u>\$ 755,327</u>	<u>100</u>	<u>\$ 640,662</u>	<u>100</u>
Code	Liabilities and equity				
	Current liabilities				
2150	Bills payable	\$ 30	-	\$ 17	-
2220	Other payables (Note 15)	125,129	17	131,531	21
2230	Current income tax liabilities (Notes 4 and 21)	6,110	1	12,383	2
2280	Lease liabilities - current (Notes 4 and 13)	14,421	2	-	-
2399	Other current liabilities - others	<u>10,027</u>	<u>1</u>	<u>9,372</u>	<u>1</u>
21XX	Total current liabilities	<u>155,717</u>	<u>21</u>	<u>153,303</u>	<u>24</u>
	Non-current liabilities				
2550	Provisions - non-current (Notes 4 and 16)	10,692	1	9,940	1
2570	Deferred income tax liabilities (Notes 4 and 21)	100	-	10,098	2
2580	Lease liabilities - non-current (Notes 4 and 13)	24,008	3	-	-
2610	Long-term payables (Note 15)	25,976	4	20,426	3
2645	Guarantee deposit received	506	-	507	-
2650	Credit balance of investments under equity method	<u>2,079</u>	<u>-</u>	<u>-</u>	<u>-</u>
25XX	Total non-current liabilities	<u>63,361</u>	<u>8</u>	<u>40,971</u>	<u>6</u>
2XXX	Total Liabilities	<u>219,078</u>	<u>29</u>	<u>194,274</u>	<u>30</u>
	Equity (Notes 4 and 18)				
3110	Capital of common shares	<u>250,243</u>	<u>33</u>	<u>236,880</u>	<u>37</u>
3200	Capital surplus	<u>92,500</u>	<u>12</u>	<u>51,892</u>	<u>8</u>
	Retained earnings				
3310	Appropriated as legal capital reserve	96,629	13	89,048	14
3320	Appropriated as special capital reserve	31,921	4	1,488	-
3350	Undistributed earnings	<u>75,050</u>	<u>10</u>	<u>99,001</u>	<u>16</u>
3300	Total retained earnings	<u>203,600</u>	<u>27</u>	<u>189,537</u>	<u>30</u>
3400	Other equity	( <u>10,094</u> )	( <u>1</u> )	( <u>31,921</u> )	( <u>5</u> )
3XXX	Total equity	<u>536,249</u>	<u>71</u>	<u>446,388</u>	<u>70</u>
	Total liabilities and equity	<u>\$ 755,327</u>	<u>100</u>	<u>\$ 640,662</u>	<u>100</u>

The accompanying notes are a part of these parent company only financial statements.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

**Taiming Assurance Broker Co., Ltd.**  
**Parent Company Only Statements of Comprehensive Income**  
**January 1 to December 31, 2019 and January 1 to December 31, 2018**

Unit: NT\$ thousands  
(The unit of earnings per share is NT\$)

Code		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 19, and 26)	\$ 726,599	100	\$ 714,467	100
5000	Operating cost (Notes 20 and 26)	<u>558,379</u>	<u>77</u>	<u>537,177</u>	<u>75</u>
5950	Gross profit	<u>168,220</u>	<u>23</u>	<u>177,290</u>	<u>25</u>
	Operating expenses (Notes 20 and 26)				
6100	Selling expenses	6,671	1	6,769	1
6200	Administrative expenses	<u>79,314</u>	<u>11</u>	<u>79,916</u>	<u>11</u>
6000	Total operating expenses	<u>85,985</u>	<u>12</u>	<u>86,685</u>	<u>12</u>
6900	Net operating profit	<u>82,235</u>	<u>11</u>	<u>90,605</u>	<u>13</u>
	Non-operating income and expenses				
7010	Other revenue (Note 20)	7,136	1	7,517	1
7020	Other gains and losses (Note 20)	1,781	-	831	-
7050	Finance costs	( 608 )	-	-	-
7070	Shares of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	<u>2,084</u>	<u>1</u>	( <u>3,979</u> )	( <u>1</u> )
7000	Total non-operating income and expenses	<u>10,393</u>	<u>2</u>	<u>4,369</u>	<u>-</u>
7900	Net profit before tax	92,628	13	94,974	13
7950	Income tax expense (Notes 4 and 21)	<u>18,127</u>	<u>3</u>	<u>19,168</u>	<u>3</u>
8000	Net profit for the year	<u>74,501</u>	<u>10</u>	<u>75,806</u>	<u>10</u>

(Continued on next page)

(Continued from previous page)

Code		2019		2018	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	( 61)	-	( 86)	-
8316	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	21,849	3	( 30,489)	( 4)
8349	Income tax benefit related to items that will not be reclassified subsequently (Notes 4 and 21)	12	-	4	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	( 22)	-	( 104)	-
8300	Other comprehensive income for the year (net, after tax)	<u>21,778</u>	<u>3</u>	<u>( 30,675)</u>	<u>( 4)</u>
8500	Total comprehensive income for the year	<u>\$ 96,279</u>	<u>13</u>	<u>\$ 45,131</u>	<u>6</u>
	Earnings per share (Note 22)				
9750	Basic	<u>\$ 3.04</u>		<u>\$ 3.20</u>	
9850	Diluted	<u>\$ 3.04</u>		<u>\$ 3.19</u>	

The accompanying notes are a part of these parent company only financial statements.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

**Taiming Assurance Broker Co., Ltd.**  
**Parent company only statement of changes in equity**  
**January 1 to December 31, 2019 and January 1 to December 31, 2018**

Unit: NT\$ thousands

		Other Equity Items								Total equity
Code		Capital of common shares	Capital surplus	Appropriated as legal capital reserve	Appropriated as special capital reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized profit or loss on available-for-sale financial assets	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	
A1	Balance as of January 1, 2018	\$ 236,880	\$ 51,892	\$ 80,078	\$ -	\$ 96,574	( \$ 75 )	( \$ 1,413 )	\$ -	\$ 463,936
A3	Effects of retrospective application and retrospective restatement	-	-	-	-	12,962	-	1,413	( 1,253 )	13,122
A5	Adjusted balance as of January 1, 2018	236,880	51,892	80,078	-	109,536	( 75 )	-	( 1,253 )	477,058
B1	Appropriation and distribution of 2017 earnings									
B1	Appropriated as legal capital reserve	-	-	8,970	-	( 8,970 )	-	-	-	-
B3	Appropriated as special capital reserve	-	-	-	1,488	( 1,488 )	-	-	-	-
B5	Cash dividend	-	-	-	-	( 75,801 )	-	-	-	( 75,801 )
D1	2018 Net profit	-	-	-	-	75,806	-	-	-	75,806
D3	2018 Other Comprehensive Income (Loss) after tax	-	-	-	-	( 82 )	( 104 )	-	( 30,489 )	( 30,675 )
D5	Total comprehensive income (loss) in 2018	-	-	-	-	75,724	( 104 )	-	( 30,489 )	45,131
Z1	Balance as of December 31, 2018	236,880	51,892	89,048	1,488	99,001	( 179 )	-	( 31,742 )	446,388
A3	Effects of retrospective application and retrospective restatement	-	-	-	-	( 331 )	-	-	-	( 331 )
A5	Adjusted balance as of January 1, 2019	236,880	51,892	89,048	1,488	98,670	( 179 )	-	( 31,742 )	446,057
	Appropriations and distribution of 2018 retained earnings:									
B1	Appropriated as legal capital reserve	-	-	7,581	-	( 7,581 )	-	-	-	-
B5	Cash dividend	-	-	-	30,433	( 30,433 )	-	-	-	-
B17	Reversal of special capital reserve	-	-	-	-	( 60,058 )	-	-	-	( 60,058 )
	Other changes in capital surplus:									
C7	Changes in equity of associates and joint ventures accounted for under the equity method	-	2,729	-	-	-	-	-	-	2,729
C15	Cash dividends distributed from capital surplus	-	( 8,758 )	-	-	-	-	-	-	( 8,758 )
H1	Stock issued for pursuant to acquisitions	13,363	46,637	-	-	-	-	-	-	60,000
D1	2019 Net profit	-	-	-	-	74,501	-	-	-	74,501
D3	2019 Other comprehensive Income (loss) after tax	-	-	-	-	( 49 )	( 22 )	-	21,849	21,778
D5	Total comprehensive income (loss) in 2019	-	-	-	-	74,452	( 22 )	-	21,849	96,279
Z1	Balance as of Dec. 31, 2019	\$ 250,243	\$ 92,500	\$ 96,629	\$ 31,921	\$ 75,050	( \$ 201 )	\$ -	( \$ 9,893 )	\$ 536,249

The accompanying notes are a part of these parent company only financial statements.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

**Taiming Assurance Broker Co., Ltd.**  
**Parent company only cash flow statement**  
**January 1 to December 31, 2019 and January 1 to December 31, 2018**

Unit: NT\$ thousands

Code		2019	2018
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 92,628	\$ 94,974
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation	18,281	3,243
A20200	Amortization	9	-
A20300	Gain on reversal of bad debts	( 185)	( 4)
A20400	Net gain on financial assets at fair value through profit or loss	( 1,575)	( 671)
A20900	Finance costs	608	-
A21200	Interest income	( 2,419)	( 2,512)
A21300	Dividend income	( 2,288)	( 2,589)
A22300	Recognized share of the profit and loss of the affiliated enterprises and joint ventures using equity method	( 2,084)	3,979
A29900	Profit (loss) of lease modification	( 27)	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	( 8,894)	15,328
A31150	Bills and accounts receivable	( 2,531)	( 8,655)
A31180	Other receivables	1,005	6
A31220	Prepaid pension cost	( 100)	( 101)
A31230	Prepayments	( 480)	-
A31240	Other current assets	( 1)	216
A31250	Other non-current assets	( 315)	-
A32130	Bills payable	13	( 214)
A32180	Other payables	( 852)	( 4,447)
A32200	Liability reserve	752	( 172)
A32230	Other current liabilities	655	1,350
A33000	Cash inflow from operating activities	92,200	99,731
A33500	Income tax paid	( 26,633)	( 14,176)
AAAA	Net cash inflow from operating activities	<u>65,567</u>	<u>85,555</u>
	Cash flow from investing activities		
B00010	Financial assets at fair value through other comprehensive gains and losses	-	( 1,248)

(Continued on next page)

(Continued from previous page)

Code		2019	2018
B00030	Financial assets measured at FVTOCI - return of capital due to capital reduction	-	1,996
B00050	Disposal of financial assets at amortized cost	13,500	-
B00100	Acquisition of financial assets mandatorily measured at FVTPL	-	( 30,000)
B00200	Disposal of financial assets mandatorily measured at FVTPL	-	29,987
B01800	Acquisition of associates	( 62,000)	( 4,501)
B02700	Acquisition of immovable property and equipment	( 952)	( 1,233)
B03700	Increase (decrease) in guarantee deposit paid	20	( 106)
B07500	Interest received	1,474	2,512
B07600	Dividends received	<u>16,388</u>	<u>2,589</u>
BBBB	Net cash flows used in investing activities	( <u>31,570</u> )	( <u>4</u> )
	Cash flows from financing activities		
C03000	Increase in deposits received	( 1)	3
C04020	Repayment of the principal amount of lease liabilities	( 15,231)	-
C04500	Cash dividends issued	( 68,816)	( 75,801)
C05600	Interest paid	( <u>7</u> )	<u>-</u>
CCCC	Net cash outflow from financing activities	( <u>84,055</u> )	( <u>75,798</u> )
EEEE	Net increase (decrease) in cash and cash equivalents	( 50,058)	9,753
E00100	Balance of cash and cash equivalents at beginning of year	<u>105,251</u>	<u>95,498</u>
E00200	Balance of cash and cash equivalents at end of year	<u>\$ 55,193</u>	<u>\$ 105,251</u>

The accompanying notes are a part of these parent company only financial statements.

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

### 3. Adoption of the Proposal for Distribution of 2019 Profits

Attachment 3.

#### Taiming Assurance Broker Co., Ltd. Earnings Distribution Table for the Year 2019

Unit: NT\$

Items	Amount
Undistributed earnings at beginning of this period	928,511
Less: IFRS16 effects of retrospective application and retrospective restatement	(331,003)
Less: Remeasurement of defined benefit plan recognized in the retained earnings	(48,450)
Plus: Net income	74,501,414
Less: Legal surplus reserve appropriated (10%)	(7,412,196)
Plus: Reversal of special surplus reserve from the previous period	31,920,847
Less: Special reserve appropriated by law	(10,093,285)
<b>Retained earnings available for distribution for this period</b>	<b>89,465,838</b>
Distributable items:	
Less: Dividends for shareholders - NT\$3 per share	(75,072,909)
Unappropriated retained earnings at the end of the period	14,392,929

Chairman of the Board:  
Cheng-Chih Li

Manager:  
Yang-Kuo Chen

Accounting Manager:  
Shu-Fen Yang

Note:

1. Priority is given to surplus reserves in 2019, followed by surplus reserves in 2018.
2. The cash dividends are calculated up to NT\$ 1. Decimal points are rounded down and the uncounted shares in fractions of NT\$ 1 is included in other incomes.
3. Allocate 2% of the total amount of bonus to employees, or NT\$1,923,150, to be distributed in cash.  
Allocate 2% of the total amount of bonus to Directors, or NT\$1,923,150, to be distributed in cash.
4. The distribution of dividends of the Company is calculated based on the total number of 25,024,303 shares outstanding.
5. If the number of outstanding shares is affected by the subsequent buyback of shares of the Company, equity conversion, or other reasons, resulting in the change of the shareholder dividend ratio and the need for correction, it is proposed to submit to the shareholders for authorization of the Chairman of the Board at a general shareholders' meeting.

#### 4. Comparison Table of Draft Amendment to the Company's Corporate Charter

Attachment 4.

##### Taiming Assurance Broker Co., Ltd.

##### Comparison Table of Draft Amendment to the Corporate Charter

Article	Amended Articles	Current Articles	Explanation
Article 6	<p>The Company's shares are registered shares, <u>which are issued in accordance with the Company Act of the Republic of China and other relevant laws.</u></p> <p>The Company's shares issued may be exempted from being printed, but shall be registered with the centralized securities depository enterprises.</p>	<p>The Company's shares are registered shares, <u>signed or sealed by at least three directors, and issued in accordance with the laws.</u></p> <p>The Company's shares issued may be exempted from being printed, but shall be registered with the centralized securities depository enterprises.</p>	Proceeded in accordance with Article 161-2 of the Company Act.
Article 8	<p>Shareholders' meeting can be classified into general or provisional meeting. The general meeting shall be <u>convened at least once a year and held</u> by the Board of Directors in accordance with the laws within six months after the end of a fiscal year. The provisional meeting shall be <u>convened</u> whenever necessary in accordance with the relevant laws and regulations.</p> <p>The convening notice of the shareholders' meeting can be done electronically with the consent of the counterparts. For shareholders holding fewer than one thousand registered shares, the notice in the preceding paragraph may be done through announcement.</p>	<p>Shareholders' meeting can be classified into general or provisional meeting. The general meeting shall be <u>held at least once a year</u> by the Board of Directors in accordance with the laws within six months after the end of a fiscal year. The provisional meeting shall be <u>held</u> whenever necessary in accordance with the relevant laws and regulations.</p> <p>The convening notice of the shareholders' meeting can be done electronically with the consent of the counterparts. For shareholders holding fewer than one thousand registered shares, the notice in the preceding paragraph may be done through announcement.</p>	The text is amended in accordance with Article 170 of the Company Act.



Article	Amended Articles	Current Articles	Explanation
Article 11	Unless otherwise stipulated in the Company Act, the proposed resolutions in the shareholders' meetings require approvals from the majority of attending shareholders which represent the majority of total shares issued.	Unless otherwise stipulated in the Company Act, the proposed resolutions in the shareholders' meetings require approvals from the majority of attending shareholders which represent the majority of total shares issued.	Wording is changed for a more accurate description.
Article 14	The Board is composed of directors. The directors shall elect a Chairman from among themselves in the Board meeting with the consent of the majority of attending directors which represents more than two-thirds of all directors. The Chairman shall have the authority to represent the Company.	The Board is composed of directors. The directors shall elect a Chairman <u>and a Vice Chairman</u> from among themselves in the Board meeting with the consent of the majority of attending directors which represents more than two-thirds of all directors. The Chairman shall have the authority to represent the Company.	It is amended according to the Company's operations and staffing.
Article 19	If there is a surplus in the Company's annual final accounts, taxes should be paid first to make up for the accumulated losses. Another 10% of the surplus is appropriated as a legal surplus reserve. However, when the legal surplus reserve has reached the Company's total paid-in capital, it may be exempted from being appropriated, and the special surplus reserve may be provided or reversed in accordance with the laws and regulations or according to business needs. If there is still a surplus, the Board of Directors shall draw up a surplus distribution proposal, submitted to the shareholders' meeting to	If there is a surplus in the Company's annual final accounts, taxes should be paid first to make up for the accumulated losses. Another 10% of the surplus is appropriated as a legal surplus reserve. However, when the legal surplus reserve has reached the Company's total paid-in capital, it may be exempted from being appropriated, and the special surplus reserve may be provided or reversed in accordance with the laws and regulations or according to business needs. If there is still a surplus, the Board of Directors shall draw up a surplus distribution proposal, submitted to the shareholders' meeting to	Wording is changed for a more accurate description.

Article	Amended Articles	Current Articles	Explanation
	decide on shareholder dividend distribution. In the volatile business environment, <u>in</u> response to future expansion plans, shareholder dividends must be paid in the form of both cash and stock, of which the ratio of cash dividends to total dividends shall not be less than 50%. However, the shareholders' meeting may have to adjust it according to the actual situation.	decide on shareholder dividend distribution. In the volatile business environment, <u>the Company is still in the growth stage.</u> <u>In</u> response to future expansion plans, shareholder dividends must be paid in the form of both cash and stock, of which the ratio of cash dividends to total dividends shall not be less than 50%. However, the shareholders' meeting may have to adjust it according to the actual situation.	
Article 21	The Charter was formulated on October 3, 2002. The first amendment was approved on May 1, 2004. The second amendment was approved on June 10, 2005. The third amendment was approved on June 9, 2006. The fourth amendment was approved on June 3, 2007. The fifth amendment was approved on June 20, 2008. The sixth amendment was approved on June 17, 2009. The seventh amendment was approved on June 14, 2013. The eighth amendment was approved on July 26, 2013. The ninth amendment was approved on October 11, 2013. The tenth amendment was approved on May 14, 2014. The eleventh amendment was approved on June 10, 2015.	The Charter was formulated on October 3, 2002. The first amendment was approved on May 1, 2004. The second amendment was approved on June 10, 2005. The third amendment was approved on June 9, 2006. The fourth amendment was approved on June 3, 2007. The fifth amendment was approved on June 20, 2008. The sixth amendment was approved on June 17, 2009. The seventh amendment was approved on June 14, 2013. The eighth amendment was approved on July 26, 2013. The ninth amendment was approved on October 11, 2013. The tenth amendment was approved on May 14, 2014. The eleventh amendment was approved on June 10, 2015.	The date and the ordinal number of current amendments to the Charter is added.

Article	Amended Articles	Current Articles	Explanation
	<p>The twelfth amendment was approved on June 15, 2016.</p> <p>The thirteenth amendment was approved on June 14, 2017.</p> <p>The fourteenth amendment was approved on June 8, 2018.</p> <p>The eleventh amendment was approved on May 31, 2019.</p> <p><u>The sixteenth amendment was approved on May 27, 2020.</u></p>	<p>The twelfth amendment was approved on June 15, 2016.</p> <p>The thirteenth amendment was approved on June 14, 2017.</p> <p>The fourteenth amendment was approved on June 8, 2018.</p> <p>The eleventh amendment was approved on May 31, 2019.</p>	

## 5. Comparison Table of Draft Amendment to the Company's Rules Governing Shareholders' Meetings

Attachment 5.

### Taiming Assurance Broker Co., Ltd. Rules Governing Shareholders' Meetings Comparison Table of Draft Amendment

Article No.	Amended Articles	Current Articles	Explanation
Article 3	<p>The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by law.</p> <p>The Company shall specify the reasons and explanations of various proposals, including the notice of shareholders' meeting, the power of attorney form, related proposals for recognition and discussion, and election or dismissal of directors in an electronic file, which shall be transmitted to the Market Observatory Post System (MOPS). And before the 21s days before the general shareholders' meeting or 15 days before the provisional shareholders' meeting, the shareholders' meeting handbook and supplementary materials shall be made into electronic files and sent to MOPS. Fifteen days before the shareholders' meeting, the handbook and supplementary materials of the current shareholders' meeting shall be prepared for shareholders to request at any time and displayed at the Company and the professional stock agency appointed by the Company,</p>	<p>The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by law.</p> <p>The Company shall specify the reasons and explanations of various proposals, including the notice of shareholders' meeting, the power of attorney form, related proposals for recognition and discussion, and election or dismissal of directors in an electronic file, which shall be transmitted to the Market Observatory Post System (MOPS). And before the 21s days before the general shareholders' meeting or 15 days before the provisional shareholders' meeting, the shareholders' meeting handbook and supplementary materials shall be made into electronic files and sent to MOPS. Fifteen days before the shareholders' meeting, the handbook and supplementary materials of the current shareholders' meeting shall be prepared for shareholders to request at any time and displayed at the Company and the professional stock agency appointed by the Company,</p>	

Article No.	Amended Articles	Current Articles	Explanation
	<p>while being distributed at the shareholders' meeting.</p> <p>The notice and announcement shall contain the reason for convening the meeting; the notice can be done electronically if the counterparts agree.</p> <p>Matters pertaining to election or dismissal of directors, change of the Charter, reduction of capital, application for cessation of public offering, approval of competing with the Company for directors, capital increase from earnings, capitalization of capital surplus, dissolution, merger, spin-off, or any matters as set forth in Paragraph1 of Article 185 shall be listed and explained in the reasons for convening the meeting and cannot be proposed through an extempore motion; <u>its main content can be placed on the website designated by the competent securities authority or the Company; such a website shall be stated in the notice.</u></p> <p><u>As for the reasons for the convening of the shareholders' meeting, re-election of all directors and the date of appointment have been indicated. After the re-election at the shareholders' meeting is completed, at the same meeting, the date of appointment shall not be</u></p>	<p>while being distributed at the shareholders' meeting.</p> <p>The notice and announcement shall contain the reason for convening the meeting; the notice can be done electronically if the counterparts agree.</p> <p>Matters pertaining to election or dismissal of directors, change of the Charter, reduction of capital, application for cessation of public offering, approval of competing with the Company for directors, capital increase from earnings, capitalization of capital surplus, dissolution, merger, spin-off, or any matters as set forth in Paragraph1 of Article 185, <u>Articles 26-1 and 43-6 of the Securities and Exchange Act, as well as Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reasons for convening the meeting and cannot be proposed through an extempore motion.</u></p>	<p>What is provided in Paragraph is amended according to the amendment to Paragraph 5 of Article 172 of the Company Act.</p> <p>The fifth paragraph of this article is added in accordance with the Ministry of Economic Affairs' Official Letter No. Shang – 10702417500 issued on August 6, 2018.</p>

Article No.	Amended Articles	Current Articles	Explanation
	<p><u>changed through an extempore motion or other means.</u></p> <p>A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such a proposal shall not be included in the agenda. However, if <u>such a proposal is to urge the Company to promote public interest or fulfill its social responsibilities</u>, the Board of Directors shall still include it in the proposal.</p> <p>Where any of the circumstances provided in Paragraph 4 of Article 172-1 of the Company Act applies 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 general shareholders' meeting is held, the Company shall publicly announce the acceptance of shareholders' proposals, <u>the written or electronic submission methods</u>, the location, and the time period for submission; the period shall not be less than 10 days.</p>	<p>A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such a proposal shall not be included in the agenda. However, if a proposal <u>contains more than one matter</u>, such a proposal shall not be included in the agenda.</p> <p>Where any of the circumstances provided in Paragraph 4 of Article 172-1 of the Company Act applies 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 general shareholders' meeting is held, the Company shall publicly announce the acceptance of shareholders' proposals <u>as well as the location and the time period for submission</u>; the period shall not be less than 10 days.</p>	<p>This paragraph is revised to Paragraph 6 and the amendment is added to the revised paragraph 1 and 5, and the relevant text is amended and Paragraph 5 is added in line with the amendment to Paragraph 1 of Article 172-1 of the Company Act.</p> <p>This paragraph is revised to Paragraph 7 and amended in line with Paragraph 2 of Article 172-1 of the Company Act.</p>

Article No.	Amended Articles	Current Articles	Explanation
	<p>Proposals proposed by shareholders shall be limited to three hundred words, and those exceeding three hundred words shall not be included in the agenda; each shareholder who submits a proposal shall attend the general shareholders' meeting in person or entrust others to attend and participate in the discussion of the proposal.</p> <p>The Company shall notify each shareholder of the processing result of the proposal submitted before the date of the notice of the shareholders' meeting and shall list the proposal in line with the provision of this article in the notice of the meeting. For each proposal submitted by shareholders excluded from the agenda, the Board of Directors shall explain the reasons for the exclusion at the shareholders' meeting.</p>	<p>Proposals proposed by shareholders shall be limited to three hundred words, and those exceeding three hundred words shall not be included in the agenda; each shareholder who submits a proposal shall attend the general shareholders' meeting in person or entrust others to attend and participate in the discussion of the proposal.</p> <p>The Company shall notify each shareholder of the processing result of the proposal submitted before the date of the notice of the shareholders' meeting and shall list the proposal in line with the provision of this article in the notice of the meeting. For each proposal submitted by shareholders excluded from the agenda, the Board of Directors shall explain the reasons for the exclusion at the shareholders' meeting.</p>	<p>This paragraph is revised to Paragraph 8.</p> <p>This paragraph is revised to Paragraph 9.</p>
Article 10	<p>If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. <u>The relevant proposals (including extempore motions and amendment to original proposals) shall be decided by voting on a case-by-case basis.</u> The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.</p> <p>If the shareholders' meeting</p>	<p>If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.</p> <p>If the shareholders' meeting</p>	<p>In line with electronic voting adopted by listed companies comprehensively since 2018 and to implement the spirit of vote on a case-by-case basis, Paragraph 1 is amended.</p>

Article No.	Amended Articles	Current Articles	Explanation
	<p>is convened by someone with the right to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply.</p> <p>The Chairman may not arbitrarily declare the adjournment of the meeting before the end of proceedings (including extempore motions). If the Chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The Chairman 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 Chairman is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the Chairman may announce the discussion closed and bring the proposal to vote. <u>The Chairman shall also allocate sufficient time for voting.</u></p>	<p>is convened by someone with the right to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply.</p> <p>The Chairman may not arbitrarily declare the adjournment of the meeting before the end of proceedings (including extempore motions). If the Chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The Chairman shall give the opportunity to fully explain and discuss the proposals <u>or extempore motions</u>, as well as the amendments or extempore motions proposed by the shareholders. When the Chairman is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the Chairman may announce the discussion closed and bring the proposal to vote.</p>	<p>In order to prevent the convener of the shareholders' meeting from excessively reducing shareholders' voting time, resulting in a situation where shareholders have no time to vote and their exercise of voting rights is affected, Paragraph 4 is amended.</p>
Article 13	Shareholders have one voting right per share;	Shareholders have one voting right per share;	



Article No.	Amended Articles	Current Articles	Explanation
	<p>however, those who are restricted or have no voting rights as listed in Paragraph 2 of Article 179 of the Company Act are not subject to this provision.</p> <p>When the Company convenes a shareholders' meeting, shareholders <u>shall</u> exercise their voting rights <u>electronically and may</u> 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. Shareholders who exercise voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the said shareholders are regarded as abstentions for extempore motions and revised proposals at the shareholders' meeting, so the Company shall avoid putting forward extempore motions or revision of original proposals.</p> <p>In the exercise of voting rights in writing or electronically in the preceding paragraph, the decision represented shall be delivered to the Company two days before the beginning of the shareholders' meeting; where the decision represented are repeated, the one delivered first shall prevail. However, the said decision represented is stated to be withdrawn is not</p>	<p>however, those who are restricted or have no voting rights as listed in Paragraph 2 of Article 179 of the Company Act are not subject to this provision.</p> <p>When the Company convenes a shareholders' meeting, shareholders <u>may</u> exercise their voting rights <u>in writing or electronically. In</u> the case of exercise of voting rights in writing or electronically, the methods of exercising the said rights shall be stated in the shareholders' meeting notice. Shareholders who exercise voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the said shareholders are regarded as abstentions for extempore motions and revised proposals at the shareholders' meeting, so the Company shall avoid putting forward extempore motions or revision of original proposals.</p> <p>In the exercise of voting rights in writing or electronically in the preceding paragraph, the decision represented shall be delivered to the Company two days before the beginning of the shareholders' meeting; where the decision represented are repeated, the one delivered first shall prevail. However, the said decision represented is stated to be withdrawn is not</p>	<p>In line with electronic voting adopted by listed companies comprehensively since 2018 and to implement the spirit of vote on a case-by-case basis, Paragraph 2 is amended.</p>

Article No.	Amended Articles	Current Articles	Explanation
	<p>subject to this provision.</p> <p>After the shareholders exercise their voting rights in writing or electronically, if they want to attend the shareholders' meeting in person, they shall withdraw the decision represented via the exercise of the voting rights in the preceding paragraph in the same way as the exercise of the voting rights two days before the shareholders' meeting; in the case of withdrawal past the deadline, the voting rights exercised in writing or electronically shall prevail. Where a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholder's meeting, the voting right exercised by the proxy shall prevail.</p> <p>Except as otherwise provided in the Company Act and the Company's Corporate Charter, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by voting by the shareholders on a case-by-case basis. After the conclusion of the meeting, on the same day it</p>	<p>subject to this provision.</p> <p>After the shareholders exercise their voting rights in writing or electronically, if they want to attend the shareholders' meeting in person, they shall withdraw the decision represented via the exercise of the voting rights in the preceding paragraph in the same way as the exercise of the voting rights two days before the shareholders' meeting; in the case of withdrawal past the deadline, the voting rights exercised in writing or electronically shall prevail. Where a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholder's meeting, the voting right exercised by the proxy shall prevail.</p> <p>Except as otherwise provided in the Company Act and the Company's Corporate Charter, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by voting by the shareholders on a case-by-case basis. After the conclusion of the meeting, on the same day it</p>	

Article No.	Amended Articles	Current Articles	Explanation
	<p>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 MOPS.</p> <p>Where 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.</p> <p>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.</p> <p>Vote counting for proposals or elections at the shareholders' meeting 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 recorded.</p>	<p>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 MOPS.</p> <p>Where 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.</p> <p>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.</p> <p>Vote counting for proposals or elections at the shareholders' meeting 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 recorded.</p>	
Article 15	Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or	Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or	

Article No.	Amended Articles	Current Articles	Explanation
	<p>seal of the Chairman of the meeting and be distributed to all shareholders within twenty days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be affected by means of electronic transmission.</p> <p>The distribution of the meeting minutes as described in the preceding paragraph shall be conducted through a public announcement on MOPS.</p> <p>The meeting minutes shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results of the meeting. <u>Where there is a director election, the number of votes for each candidate shall be disclosed in the meeting minutes.</u> The minutes shall be kept permanently throughout the life of the Company.</p>	<p>seal of the Chairman of the meeting and be distributed to all shareholders within twenty days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be affected by means of electronic transmission.</p> <p>The distribution of the meeting minutes as described in the preceding paragraph shall be conducted through a public announcement on MOPS.</p> <p>The meeting minutes shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results of the meeting. The minutes shall be kept permanently throughout the life of the Company.</p>	<p>To uphold the spirit of voting on a case-by-case basis, Paragraph 3 is amended with reference to the advice of the Asian Corporate Governance Association.</p>

## 6. Comparison Table of Draft Amendment to Operating Procedure for Acquisition and Disposal of Assets

Attachment 6.

### Taiming Assurance Broker Co., Ltd. Operating Procedure for Acquisition and Disposal of Assets Comparison Table of Draft Amendment

Article	Amended Articles	Original Article	Current Articles	Explanation
Article 1 <u>Purpose and Basis</u>	<u>To have a reference to comply with for the Company's and its subsidiaries' acquisition or disposal of assets, in accordance with Article 36 of the Securities and Exchange Act (hereinafter referred to as the Act) and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the Regulations) released by the Financial Supervisory Commission (hereinafter referred to as FSC), this operating procedure (hereinafter referred to as this operating procedure) has been formulated.</u>	Article 1 Purpose	<u>In order to strengthen control over the acquisition or disposal of the Company's assets and to implement information disclosure operations, this procedure has been particularly formulated.</u>	In accordance with the provisions of Subparagraph 6 of Paragraph 1 of Article 7 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, subsidiaries are included in this procedure.
Article 2 <u>Scope of Application</u>	<u>The acquisition and disposal of assets by the Company and its subsidiaries shall be handled in accordance with the provisions of this procedure. However, if other laws or regulations stipulate otherwise or are different from the local laws and regulations where a subsidiary is located, the laws and regulations or local laws and regulations shall</u>	Article 2 <u>Statutory Basis</u>	<u>This procedure is formulated in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the Regulations) released by the Financial Supervisory Commission (hereinafter referred to as FSC).</u>	The wording is amended in accordance with Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<u>prevail.</u>			
Article 6	<p>This procedure formulated by the Company <u>and its subsidiaries</u> in accordance with the Regulations shall be approved by the Board of Directors.</p> <p>When this procedure is submitted to the Board of Directors for discussion, the opinion of each independent director shall be fully considered. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>This procedure shall be approved by more than one-half of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If the preceding paragraph is not approved by more than one-half of all members of the Audit Committee, it may only be implemented with approval of more than two-thirds of all Directors, and the resolution of the Audit Committee shall be stated in the minutes of the Board of Directors meeting.</p> <p>All members of the Audit Committee mentioned in Paragraph 3 and all Directors mentioned in the preceding paragraph are counted based on the</p>	Article 6	<p>This procedure formulated by the Company in accordance with the Regulations shall be approved by the Board of Directors.</p> <p>When this procedure is submitted to the Board of Directors for discussion, the opinion of each independent director shall be fully considered. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>This procedure shall be approved by more than one-half of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If the preceding paragraph is not approved by more than one-half of all members of the Audit Committee, it may only be implemented with approval of more than two-thirds of all Directors, and the resolution of the Audit Committee shall be stated in the minutes of the Board of Directors meeting.</p> <p>All members of the Audit Committee mentioned in Paragraph 3 and all Directors mentioned in the preceding paragraph are counted based on the actual incumbents.</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	actual incumbents.			
Article 8	<p>The acquisition or disposal of assets by the Company and <u>its subsidiaries</u> in accordance with this procedure or other legal provisions shall be submitted to the Board of Directors for discussion with full consideration of the opinion of each independent director. If an independent director has any objection or reservation, it shall be set forth in the minute book of the Board of Directors.</p> <p>For significant assets or derivatives transactions, the Company shall agree with the consent of more than half of the audit committee members and submit a resolution to the Board of Directors for resolution, and adopt Paragraph 4, Paragraph 4 and 5.</p>	Article 8	<p>The acquisition or disposal of assets by the Company in accordance with this procedure or other legal provisions shall be submitted to the Board of Directors for discussion with full consideration of the opinion of each independent director. If an independent director has any objection or reservation, it shall be set forth in the minute book of the Board of Directors.</p> <p>For significant assets or derivatives transactions, the Company shall agree with the consent of more than half of the audit committee members and submit a resolution to the Board of Directors for resolution, and adopt Paragraph 4, Paragraph 4 and 5.</p>	Wording is amended in accordance with the amendment to Article 1.
Article 9	For the Company's <u>and its subsidiaries'</u> acquisition or disposal of real estate, equipment, or right-of-use asset, the dedicated unit shall sign and report relevant reasons for such acquisition or disposal and then transact based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company after inquiry or price comparison or	Article 9	For the Company's acquisition or disposal of real estate, equipment, or right-of-use asset, the responsible unit shall sign and report relevant reasons for such acquisition or disposal and then transact based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company after inquiry or price comparison or	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>bargaining. If the transaction amount for the Company's <u>and its subsidiaries'</u> acquisition or disposal of the real estate or equipment other than equipment that is traded with the domestic government institutions, manufactured on the self-owned lands or leased lands, or equipment or its right-of-use asset acquired or disposed for operation purpose is 20% of the Company's paid-in capital or NT\$300 million or more, an appraisal report issued by a professional appraiser shall be obtained before the fact occurs and the following conditions shall be met:</p> <p>I. Where it must adopt a limited price, designated price, or special price due to extraordinary circumstances as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>II. Where the transaction amount is NT\$1 billion or more,</p>		<p>bargaining. If the transaction amount for the Company's acquisition or disposal of the real estate or equipment other than equipment that is traded with a domestic government agency, manufactured on the self-owned lands or leased lands, or equipment or its right-of-use asset acquired or disposed for operation purpose is 20% of the Company's paid-in capital or NT\$300 million or more, an appraisal report issued by a professional appraiser shall be obtained before the fact occurs and the following conditions shall be met:</p> <p>I. Where it must adopt a limited price, designated price, or special price due to extraordinary circumstances as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>II. Where the transaction amount is NT\$1 billion or more,</p>	



Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>appraisals from two or more professional appraisers shall be obtained.</p> <p>III. If any of the following situation occurs, unless all of the appraisal values for asset acquisition are higher than the trading amount or all of the appraisal values for asset disposal are lower than the transaction price, the Company shall contact CPAs to take actions in accordance with Auditing Standards No. 20 published by Accounting Research and Development Foundation (ARDF) and to express specific comments on the reasons for the discrepancy and the fairness of the transaction price.</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results by two or more professional appraisers is 10 percent or more</p>		<p>appraisals from two or more professional appraisers shall be obtained.</p> <p>III. If any of the following situation occurs, unless all of the appraisal values for asset acquisition are higher than the trading amount or all of the appraisal values for asset disposal are lower than the transaction price, the Company shall contact CPAs to take actions in accordance with Auditing Standards No. 20 published by Accounting Research and Development Foundation (ARDF) and to express specific comments on the reasons for the discrepancy and the fairness of the transaction price.</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results by two or more professional appraisers is 10 percent or more of the transaction</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>of the transaction amount.</p> <p>IV. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.</p>		<p>amount.</p> <p>IV. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
Article 10	<p>When the Company <u>and its subsidiaries</u> acquire or dispose of the marketable securities, they shall consider the net worth per share, profitability, and market value of each share, while evaluating the reasonableness of the price; the dedicated unit shall submit an evaluation report and proceed based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company.</p> <p>Where the Company and its subsidiaries acquire or dispose of securities shall, prior to the date of occurrence of the event, obtain financial</p>	Article 10	<p>When the Company acquires or disposes of the marketable securities, it shall consider the net worth per share, profitability, and market value of each share while evaluating the reasonableness of the price; the dedicated unit shall submit an evaluation report and proceed based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company.</p> <p>Where the Company acquires or disposes of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20. published by the ARDF. The preceding requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of FSC.</p> <p>(I) Securities issued in accordance with the laws or through fundraising and obtained through cash contributions, and the right represented by the securities is equal to the proportion of the cash contributions.</p> <p>(II) Participation in the</p>		<p>company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPAs shall do so in accordance with the provisions of Statement of Auditing Standards No. 20. published by the ARDF. The preceding requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of FSC.</p> <p>(I) Securities issued in accordance with the laws or through fundraising and obtained through cash contributions, and the right represented by the securities is equal to the proportion of the cash contributions.</p> <p>(II) Participation in the subscription of</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>subscription of securities issued at par value by companies for capital cash increase in accordance with relevant regulations.</p> <p>(III) Participation in subscription of securities issued by an investee of which the Company holds, directly or indirectly, 100% of shares for cash capital increase or participation in mutual subscription of securities issued by 100%-owned subsidiaries.</p> <p>(IV) Securities in stock, over-the-counter, and emerging stock markets that are traded on the stock exchange or at securities firms' business premises.</p> <p>(V) Domestic public debt or bonds under repurchase or reverse repurchase agreements.</p> <p>(VI) Public placement funds.</p> <p>(VII) Acquisition or disposal of company stocks listed in the OTC market in accordance with</p>		<p>securities issued at par value by companies for capital cash increase in accordance with relevant regulations.</p> <p>(III) Participation in subscription of securities issued by an investee of which the Company holds, directly or indirectly, 100% of shares for cash capital increase or participation in mutual subscription of securities issued by 100%-owned subsidiaries.</p> <p>(IV) Securities in stock, over-the-counter, and emerging stock markets that are traded on the stock exchange or at securities firms' business premises.</p> <p>(V) Domestic public debt or bonds under repurchase or reverse repurchase agreements.</p> <p>(VI) Public placement funds.</p> <p>(VII) Acquisition or disposal of company stocks listed in the OTC market in accordance with the Taipei</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>the Taipei Exchange Rules Governing Reverse Auction of TPEX Listed Securities or auction rules.</p> <p>(VIII) Participation in subscription of stocks issued by domestic public companies for cash capital increase or subscription of domestic corporate bonds (including bank debentures), and the securities acquired are not securities privately offered.</p> <p>(IX) Subscription of domestic funds via private placement before the establishment of the fund in accordance with Paragraph 1 of Article 11 of the Securities Investment Trust and Consulting Act or subscription or redemption of domestic private placement funds for which the trust contract specifies an investment strategy with the same investment scope as public placement funds, except for securities credit transactions and positions of products related to</p>		<p>Exchange Rules Governing Reverse Auction of TPEX Listed Securities or auction rules.</p> <p>(VIII) Participation in subscription of stocks issued by domestic public companies for cash capital increase or subscription of domestic corporate bonds (including bank debentures), and the securities acquired are not securities privately offered.</p> <p>(IX) Subscription of domestic funds via private placement before the establishment of the fund in accordance with Paragraph 1 of Article 11 of the Securities Investment Trust and Consulting Act or subscription or redemption of domestic private placement funds for which the trust contract specifies an investment strategy with the same investment scope as public placement funds, except for securities credit transactions and positions of products related to</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	securities held not written-off.		securities held not written-off.	
Article 11	<p>When the Company <u>and its subsidiaries</u> acquire or dispose of the intangible assets, right-of-use assets, or memberships, they shall consider the market conditions and future profits thereof, and evaluate the reasonableness of price. The dedicated unit shall submit an appraisal report and proceed based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company.</p> <p>Where the Company and its subsidiaries acquire or dispose of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	Article 11	<p>When the Company acquires or disposes of intangible assets or its right-of-use asset or membership card, it shall consider its market conditions and future profitability, and evaluate the reasonableness of its price; the dedicated unit shall submit an evaluation report and proceed handled based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company.</p> <p>Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	Wording is amended in accordance with the amendment to Article 1.
Article 13	Where the Company <u>and its subsidiaries</u> acquire or dispose of assets through	Article 13	Where the Company acquires or disposes of assets through court	Wording is amended in accordance with

Article	Amended Articles	Original Article	Current Articles	Explanation
	court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.		auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.	the amendment to Article 1.
Article 14	In acquiring or disposing of assets, the Company and its subsidiaries, as well as their related parties shall, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction conditions in accordance with the provisions of this procedure, obtain an appraisal report or CPA's opinion issued by the professional appraiser in accordance with Articles 9 to 12 of this procedure if the transaction amount amounts to 10% or more of the total assets of the Company. The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provision of Article 12. When judging whether the transaction counterpart is a related party, in addition to paying attention to its legal form, they shall consider the substantive relationship.	Article 14	In acquiring or disposing of assets, the Company and their related parties shall, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction conditions in accordance with the provisions of this procedure, obtain an appraisal report or CPA's opinion issued by the professional appraiser in accordance with Articles 9 to 12 of this procedure if the transaction amount amounts to 10% or more of the total assets of the Company.  The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provision of Article 12. When judging whether the transaction counterpart is a related party, in addition to paying attention to its legal form, they shall consider the substantive relationship.	Wording is amended in accordance with the amendment to Article 1.
Article 15	When the Company <u>and its subsidiaries</u> acquire or dispose of real estate or right-of-use assets from	Article 15	When the Company acquires or disposes of real estate or right-of-use assets from related	Wording is amended in accordance with the amendment

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>related parties, or acquire or dispose of other assets other than real estate or other right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets, or NT \$ 300 million or more, except for buying and selling domestic government bonds, bonds under repurchase or reverse repurchase agreements, subscribing to or redeeming money market funds issued by domestic securities investment trusts, the following materials shall be submitted to the Audit Committee for review. After approved by the Board of Directors, the transaction contract may be signed and payment made:</p> <p>I. The purpose, necessity, and anticipated benefit of the acquisition or disposal of the asset.</p> <p>II. The reason for selecting the related party as the transaction counterpart.</p> <p>III. Information related to evaluation of the reasonableness of the predetermined transaction terms in accordance with Articles 16 and 17 for acquisition of real</p>		<p>parties, or acquire or dispose of other assets other than real estate or other right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets, or NT \$ 300 million or more, except for buying and selling domestic government bonds, bonds under repurchase or reverse repurchase agreements, subscribing to or redeeming money market funds issued by domestic securities investment trusts, the following materials shall be submitted to the Audit Committee for review. After approved by the Board of Directors, the transaction contract may be signed and payment made:</p> <p>I. The purpose, necessity, and anticipated benefit of the acquisition or disposal of the asset.</p> <p>II. The reason for selecting the related party as the transaction counterpart.</p> <p>III. Information related to evaluation of the reasonableness of the predetermined transaction terms in accordance with Articles 16 and 17 for acquisition of real</p>	to Article 1.



Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>estate from related parties.</p> <p>IV. The related party 's original acquisition date and price, the transaction counterpart, and the relationship between the transaction counterpart and the Company and the related party.</p> <p>V. The income and expenditure forecast table for each month of the coming year, which is expected to start from the month when the contract takes effect and the evaluation of the necessity of the transaction and the reasonableness of the application of funds.</p> <p>VI. Appraisal report from professional appraisers or CPA's opinion obtained in accordance with the preceding article.</p> <p>VII. The restricted conditions of this transaction and other important agreed matters.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Paragraph 2 of Article 30, and the so-called within one year refers to the year preceding the date of occurrence of the current transaction. The</p>		<p>estate from related parties.</p> <p>IV. The related party 's original acquisition date and price, the transaction counterpart, and the relationship between the transaction counterpart and the Company and the related party.</p> <p>V. The income and expenditure forecast table for each month of the coming year, which is expected to start from the month when the contract takes effect and the evaluation of the necessity of the transaction and the reasonableness of the application of funds.</p> <p>VI. Appraisal report from professional appraisers or CPA's opinion obtained in accordance with the preceding article.</p> <p>VII. The restricted conditions of this transaction and other important agreed matters.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Paragraph 2 of Article 30, and the so-called within one year refers to the year preceding the date of occurrence of the current transaction. The</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>transaction amount has been submitted to the Audit Committee for review in accordance with this provision, and after approved by the Board of Directors, part of the amount may not need to be included again.</p> <p>In the case of acquisition or disposal of equipment for business use between the Company and its parent company or subsidiaries, the Board of Directors may authorize the Chairman to make a decision on his own within a certain amount in accordance with Subparagraph 3 of Paragraph 1 of Article 7, and then report it at the most recent meeting of the Board of Directors for recognition afterwards.</p> <p>When a transaction is submitted to the Board of Directors for discussion in accordance with Paragraph 1, the opinion of each independent director shall be fully considered. Any objections or reservations made by the independent directors shall be stated in the minutes of the Board of Directors meeting.</p> <p>Matters that should be reviewed by the Audit Committee in accordance with the provision of Paragraph 1 shall be approved by more than one-half of all members of the Audit Committee and</p>		<p>transaction amount has been submitted to the Audit Committee for review in accordance with this provision, and after approved by the Board of Directors, part of the amount may not need to be included again.</p> <p>In the case of acquisition or disposal of equipment for business use between the Company and its parent company or subsidiaries, the Board of Directors may authorize the Chairman to make a decision on his own within a certain amount in accordance with Subparagraph 3 of Paragraph 1 of Article 7, and then report it at the most recent meeting of the Board of Directors for recognition afterwards.</p> <p>When a transaction is submitted to the Board of Directors for discussion in accordance with Paragraph 1, the opinion of each independent director shall be fully considered. Any objections or reservations made by the independent directors shall be stated in the minutes of the Board of Directors meeting.</p> <p>Matters that should be reviewed by the Audit Committee in accordance with the provision of Paragraph 1 shall be approved by more than one-half of all members of the Audit Committee and</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	submitted to the Board of Directors for resolution, which is subject to mutatis mutandis application of the provisions of Paragraphs 4 and 5 of Article 6.		submitted to the Board of Directors for resolution, which is subject to mutatis mutandis application of the provisions of Paragraphs 4 and 5 of Article 6.	
Article 16	<p>Where the Company <u>and its subsidiaries</u> acquire real estate or right-of-use asset thereof from a related party, the reasonableness of the cost of the transaction shall be evaluated in accordance with the following methodology:</p> <p>I. Based upon the related party's transaction price, interest of necessary funding, and the costs that are legally to be duly borne by the buyer are calculated. The said interest cost of necessary funding shall be calculated based on the weighted average interest rate of the loans borrowed in the year when the Company acquires the assets, but it shall not be higher than the highest loan interest rate for non-financial sectors announced by the Ministry of Finance.</p> <p>II. If the related party has previously created a mortgage on the property as security for a loan, the total value of</p>	Article 16	<p>Where the Company acquires real estate or right-of-use asset thereof from a related party, the reasonableness of the cost of the transaction shall be evaluated in accordance with the following methodology:</p> <p>I. Based upon the related party's transaction price, interest of necessary funding, and the costs that are legally to be duly borne by the buyer are calculated. The said interest cost of necessary funding shall be calculated based on the weighted average interest rate of the loans borrowed in the year when the Company acquires the assets, but it shall not be higher than the highest loan interest rate for non-financial sectors announced by the Ministry of Finance.</p> <p>II. If the related party has previously created a mortgage on the property as security for a loan, the total value of actual cumulative amount loaned by the financial</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, it does not apply if the financial institution and one party involved in the transaction are related to each other.</p> <p>Where the land and the structure of the same subject matter are acquired or leased, the transaction cost of the land and the structure may be assessed, respectively, by any of the methods listed in the preceding paragraph. The Company <u>and its subsidiaries</u> shall assess the cost of real estate or right-of-use asset thereof acquired based on the provisions of the preceding two paragraphs and consult CPAs for review and specific comments in acquiring real estate or right-of-use asset thereof from the related party. If the Company <u>and its subsidiaries</u> acquire the real estate or right-of-use asset thereof from the related party, under any of the following circumstances, they shall</p>		<p>institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, it does not apply if the financial institution and one party involved in the transaction are related to each other.</p> <p>Where the land and the structure of the same subject matter are acquired or leased, the transaction cost of the land and the structure may be assessed, respectively, by any of the methods listed in the preceding paragraph. The Company shall assess the cost of real estate or right-of-use assets thereof acquired based on the provisions of the preceding two paragraphs and consult CPAs for review and specific comments in acquiring real estate or right-of-use asset thereof from the related party. If the Company acquires the real estate or right-of-use asset thereof from the related party, under any of the following circumstances, they shall act in accordance with the provisions of Article 15</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>act in accordance with the provisions of Article 15 and the preceding three provisions shall not apply:</p> <p>I. Where the related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>II. Where the date on which the related party entered into the agreement to acquire the real property or right-of-use assets thereof precedes the date of the contract for the current transaction by more than five years.</p> <p>III. Where the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</p> <p>IV. Where the real property right-of-use assets for business use are acquired by the Company with its parent company or subsidiaries, or by its subsidiaries in which the Company holds 100 percent of the issued shares or authorized capital directly or indirectly.</p>		<p>and the preceding three provisions shall not apply:</p> <p>I. Where the related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>II. Where the date on which the related party entered into the agreement to acquire the real property or right-of-use assets thereof precedes the date of the contract for the current transaction by more than five years.</p> <p>III. Where the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</p> <p>IV. Where the real property right-of-use assets for business use are acquired by the Company with its parent company or subsidiaries, or by its subsidiaries in which the Company holds 100 percent of the issued shares or authorized capital directly or indirectly.</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
Article 17	<p>When the results of the Company's <u>and its subsidiaries'</u> appraisal conducted in accordance with Paragraphs 1 and 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in accordance with Article 18. However, if because of the following circumstances, and objective evidence is provided and specific reasonable opinions of real estate professional appraisers and accountants are obtained, this requirement does not apply.</p> <p>I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(I) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual</p>	Article 17	<p>When the results of the Company's appraisal conducted in accordance with Paragraphs 1 and 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in accordance with Article 18. However, if because of the following circumstances, and objective evidence is provided and specific reasonable opinions of real estate professional appraisers and accountants are obtained, this requirement does not apply.</p> <p>I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(I) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price.</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after the evaluation of the reasonable floor or area price difference in accordance with practice of real</p>		<p>The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after the evaluation of the reasonable floor or area price difference in accordance with practice of real estate purchase and sales.</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>estate purchase and sales.</p> <p>II. Where the Company <u>and its subsidiaries</u> acquire real estate or obtain real estate right-of-use assets through leasing, from a related party and provide evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refer to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the</p>		<p>II. Where the Company acquires real estate or obtains real estate right-of-use assets through leasing, from a related party and provide evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refer to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate or obtainment of the right-of-use assets thereof.</p>	



Article	Amended Articles	Original Article	Current Articles	Explanation
	acquisition of the real estate or obtainment of the right-of-use assets thereof.			
Article 18	<p>Where the Company <u>and its subsidiaries</u> acquire real estate or right-of-use asset thereof from a related party and the results of appraisals conducted in accordance with the preceding two Articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>I. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real estate or right-of-use asset thereof, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's</p>	Article 18	<p>When the Company acquires real property or right-of-use asset thereof from a related party, the Company shall carry out the following items if the evaluation results in the preceding two articles are lower than the transaction price:</p> <p>I. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real estate or right-of-use asset thereof, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>equity stake in the Company.</p> <p>II. The Audit Committee shall comply with Article 218 of the Company Act.</p> <p>III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. When the Company obtains real estate or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence</p>		<p>equity stake in the Company.</p> <p>II. The Audit Committee shall comply with Article 218 of the Company Act.</p> <p>III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. When the Company obtains real estate or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	indicating that the acquisition was not an arm's length transaction.		indicating that the acquisition was not an arm's length transaction.	
Article 19	<p>The Company <u>and its subsidiaries</u> shall pay attention to the following important risk management and audit matters when engaging in derivative transaction, and incorporate them into the procedures:</p> <p>I. The trading principles and guidelines: shall include the types of derivative transaction, the operation or hedging strategies, the division of rights and responsibilities, the key points of performance evaluation, and the total contract amount of derivative transaction, as well as the maximum amount of total and individual contract losses.</p> <p>II. Risk management measures.</p> <p>III. Internal audit system</p> <p>IV. Regular evaluation methods and the handling of abnormal.</p>	Article 19	<p>The Company shall pay attention to the following important risk management and audit matters when engaging in derivative transaction, and incorporate them into the procedures:</p> <p>I. The trading principles and guidelines: shall include the types of derivative transaction, the operation or hedging strategies, the division of rights and responsibilities, the key points of performance evaluation, and the total contract amount of derivative transaction, as well as the maximum amount of total and individual contract losses.</p> <p>II. Risk management measures.</p> <p>III. Internal audit system</p> <p>IV. Regular evaluation methods and the handling of abnormal.</p>	Wording is amended in accordance with the amendment to Article 1.
Article 20	<p>The Company <u>and its subsidiaries</u> shall adopt the following risk management measures when engaging in derivative transactions:</p> <p>I. Risk management shall address credit,</p>	Article 20	<p>The Company shall adopt the following risk management measures when engaging in derivative transactions:</p> <p>I. Risk management shall address credit,</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>market, liquidity, cash flow, operational, and legal risks.</p> <p>II. Personnel engaged in derivatives trading may not serve concurrently in other operations, such as confirmation and settlement.</p> <p>III. Risk measurement, monitoring, and control personnel shall be assigned to a different department from the one where the personnel in the preceding subparagraph belong and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.</p> <p>IV. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.</p> <p>V. Other important risk management measures.</p>		<p>market, liquidity, cash flow, operational, and legal risks.</p> <p>II. Personnel engaged in derivatives trading may not serve concurrently in other operations, such as confirmation and settlement.</p> <p>III. Risk measurement, monitoring, and control personnel shall be assigned to a different department from the one where the personnel in the preceding subparagraph belong and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.</p> <p>IV. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.</p> <p>V. Other important risk management measures.</p>	
Article 21	Where the Company <u>and</u>	Article 21	Where the Company	Wording is

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p><u>its subsidiaries</u> engage in derivatives trading, its Board of Directors shall exercise effective supervision and management in accordance with the following principles:</p> <p>I. Designate senior management personnel to pay attention to monitoring and control of derivatives trading risk.</p> <p>II. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.</p> <p>Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:</p> <p>I. Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these guidelines and this procedure.</p> <p>II. When irregular circumstances are found in the course of supervising trading</p>		<p>engage in derivatives trading, its Board of Directors shall exercise effective supervision and management in accordance with the following principles:</p> <p>I. Designate senior management personnel to pay attention to monitoring and control of derivatives trading risk.</p> <p>II. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.</p> <p>Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:</p> <p>I. Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these guidelines and this procedure.</p> <p>II. When irregular circumstances are found in the course of supervising trading</p>	<p>amended in accordance with the amendment to Article 1.</p>

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; independent directors shall be present at the Board of Directors meeting and express an opinion.</p> <p>The Company <u>and its subsidiaries</u> shall report to the soonest Board of Directors meeting after they authorize relevant personnel to handle derivatives trading in accordance with their procedures for engaging in derivatives trading.</p>		<p>and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; independent directors shall be present at the Board of Directors meeting and express an opinion.</p> <p>The Company shall report to the soonest Board of Directors meeting after it authorizes relevant personnel to handle derivatives trading in accordance with its procedures for engaging in derivatives trading.</p>	
Article 22	<p>The Company <u>and its subsidiaries</u> engaging in derivatives trading shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, date of approval by the Board of Directors, and the matters required to be carefully evaluated under Subparagraph 4 of Article 20 and Subparagraph 2 of Paragraph 1, and Subparagraph 1 of Paragraph 2 of the preceding article shall be recorded in detail in the memorandum book.</p> <p>The Company's <u>and subsidiaries'</u> internal audit personnel shall periodically make a determination of the</p>	Article 22	<p>The Company engaging in derivatives trading shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, date of approval by the Board of Directors, and the matters required to be carefully evaluated under Subparagraph 4 of Article 20 and Subparagraph 2 of Paragraph 1, and Subparagraph 1 of Paragraph 2 of the preceding article shall be recorded in detail in the memorandum book.</p> <p>The Company's internal audit personnel shall periodically make a determination of the suitability of internal</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	suitability of internal controls on derivatives, conduct a monthly audit of the trading department's compliance with the derivatives transaction processing procedures, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.		controls on derivatives, conduct a monthly audit of the trading department's compliance with the derivatives transaction processing procedures, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.	
Article 23	The Company <u>and its subsidiaries</u> that conduct a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the	Article 23	The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.		public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.	
Article 24	<p>The Company <u>and its subsidiary</u> that participate in a merger, demerger, or acquisition shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders meeting and include it along with the expert opinion referred to in Paragraph 1 of the preceding Article as well as the notification of the shareholders' meeting for reference for determination of whether to approve the merger, demerger, or acquisition. However, where other laws exempt the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this requirement does not apply.</p> <p>Where any party of the companies participating in a merger, demerger, or acquisition fails to convene a shareholders' meeting or pass a resolution at the shareholders' meeting due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected at the shareholders meeting, the companies participating</p>	Article 24	<p>The Company that participates in a merger, demerger, or acquisition shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders meeting and include it along with the expert opinion referred to in Paragraph 1 of the preceding Article as well as the notification of the shareholders' meeting for reference for determination of whether to approve the merger, demerger, or acquisition. However, where other laws exempt the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this requirement does not apply.</p> <p>Where any party of the companies participating in a merger, demerger, or acquisition fails to convene a shareholders' meeting or pass a resolution at the shareholders' meeting due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected at the shareholders meeting, the companies participating</p>	Wording is amended in accordance with the amendment to Article 1.



Article	Amended Articles	Original Article	Current Articles	Explanation
	in the merger, demerger, or acquisition shall immediately publicly explain the reason, the follow-up measures, and the scheduled date of the next shareholders' meeting.		in the merger, demerger, or acquisition shall immediately publicly explain the reason, the follow-up measures, and the scheduled date of the next shareholders' meeting.	
Article 25	<p>The Company <u>and its subsidiaries</u> that participate in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the same day to resolve matters related to the merger, demerger, or acquisition, unless other laws provide otherwise or FSC is notified in advance of extraordinary circumstances and grants its consent.</p> <p>The Company <u>and its subsidiaries</u> that participate in a transfer of shares shall convene a Board of Directors meeting on the same day, unless other laws provide otherwise or FSC is notified in advance of extraordinary circumstances and grants its consent.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company <u>and its subsidiaries</u> shall prepare a full written record of the following information and retain it for five years for reference:</p> <p>I. Basic identification</p>	Article 25	<p>The Company that participates in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the same day to resolve matters related to the merger, demerger, or acquisition, unless other laws provide otherwise or FSC is notified in advance of extraordinary circumstances and grants its consent.</p> <p>The Company that participates in a transfer of shares shall convene a Board of Directors meeting on the same day, unless other laws provide otherwise or FSC is notified in advance of extraordinary circumstances and grants its consent.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:</p> <p>I. Basic identification data for personnel:</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the engaging of a financial or legal adviser, the signing of a contract, and the convening of a board meeting.</p> <p>III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company <u>and its subsidiaries</u> shall, within</p>		<p>Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the engaging of a financial or legal adviser, the signing of a contract, and the convening of a board meeting.</p> <p>III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within two days counting inclusively from the date</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>two days counting inclusively from the date of passage of a resolution by the Board of Directors, report the information set out in Subparagraphs 1 and 2 of the preceding paragraph in the prescribed format to the FSC for reference via an Internet-based information system.</p> <p>For companies participating in the merger, demerger, acquisition, or transfer of shares that are not listed on the stock exchange or traded over the counter, the Company shall sign an agreement with the said companies and shall proceed in accordance with the provisions of the preceding two paragraphs.</p>		<p>of passage of a resolution by the Board of Directors, report the information set out in Subparagraphs 1 and 2 of the preceding paragraph in the prescribed format to the FSC for reference via an Internet-based information system.</p> <p>For companies participating in the merger, demerger, acquisition, or transfer of shares that are not listed on the stock exchange or traded over the counter, the Company shall sign an agreement with the said companies and shall proceed in accordance with the provisions of the preceding two paragraphs.</p>	
Article 27	<p>The Company <u>and its subsidiaries</u> that participate in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</p> <p>I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares,</p>	Article 27	<p>The Company that participates in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</p> <p>I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate</p>	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.</p> <p>II. An action, such as a disposal of major assets, that affects the Company's financial operations.</p> <p>III. An event, such as the major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company buys back treasury stock in accordance with the law.</p> <p>V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p>VI. Other terms or conditions that the contract stipulates may be altered and that have been publicly disclosed.</p>		<p>bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.</p> <p>II. An action, such as a disposal of major assets, that affects the Company's financial operations.</p> <p>III. An event, such as the major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company buys back treasury stock in accordance with the law.</p> <p>V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p>VI. Other terms or conditions that the contract stipulates may be altered and that have been publicly disclosed.</p>	
Article 28	The contract for participation by the Company <u>and its subsidiaries</u> in a merger,	Article 28	The contract for participation by the Company in a merger, demerger, acquisition, or	Wording is amended in accordance with the amendment

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>demerger, acquisition, or transfer of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:</p> <p>I. Handling of breach of contract.</p> <p>II. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</p> <p>III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.</p> <p>IV. The manner of handling changes in the number of participating entities or companies.</p> <p>V. Preliminary progress schedule for plan execution and anticipated completion date.</p> <p>VI. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the</p>		<p>transfer of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:</p> <p>I. Handling of breach of contract.</p> <p>II. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</p> <p>III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.</p> <p>IV. The manner of handling changes in the number of participating entities or companies.</p> <p>V. Preliminary progress schedule for plan execution and anticipated completion date.</p> <p>VI. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without</p>	to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	deadline without completion, and relevant procedures.		completion, and relevant procedures.	
Article 29	After public disclosure of the information, if the Company <u>and its subsidiaries</u> participating in the merger, demerger, acquisition, or share transfer intends to further carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating companies may be exempted from calling another shareholders meeting to resolve on the matter anew.	Article 29	After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends to further carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, the Company may be exempted from calling another shareholders meeting to resolve on the matter anew.	Wording is amended in accordance with the amendment to Article 1.
Article 30	Where any of the Company <u>and its subsidiaries</u> as well as other companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company and its subsidiaries shall sign an	Article 30	Where any of the Company and other companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	agreement with the non-public company whereby the latter is required to abide by the provisions of Article 25, Article 26, and the preceding article.		latter is required to abide by the provisions of Article 25, Article 26, and the preceding article.	
Article 31	Under any of the following circumstances, the Company <u>and its subsidiaries</u> acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event: I. Acquisition or disposal of real estate or right-of-use asset thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and reverse repurchase	Article 31	Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event: I. Acquisition or disposal of real estate or right-of-use asset thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and reverse repurchase agreements, or	Wording is amended in accordance with the amendment to Article 1.

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>IV. The type of assets in acquisition or disposal falls into equipment for operation use or right-of-use asset thereof, the transaction counterpart is not a related party, and the transaction amount meets one of the following provisions:</p> <p>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction</p>		<p>subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>IV. The type of assets in acquisition or disposal falls into equipment for operation use or right-of-use asset thereof, the transaction counterpart is not a related party, and the transaction amount meets one of the following provisions:</p> <p>I. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>II. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p>	



Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>amount reaches NT\$1 billion or more.</p> <p>V. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterpart is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. Provided, this does not apply to the following circumstances:</p>		<p>V. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterpart is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances: (I) Trading of domestic government</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>(I) Trading of domestic government bonds.</p> <p>(II) Where done by professional investors – securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(III) Trading of bonds under</p>		<p>bonds.</p> <p>(II) Where done by professional investors – securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(III) Trading of bonds under repurchase and reverse repurchase</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>repurchase and reverse repurchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>I. The amount of each transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of the target asset with the same transaction counterpart within the preceding year.</p> <p>III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or right-of-use assets thereof of the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p>		<p>agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>I. The amount of each transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of the target asset with the same transaction counterpart within the preceding year.</p> <p>III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or right-of-use assets thereof of the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	<p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with this procedure need not be counted toward the transaction amount.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format onto the information reporting website designated by FSC by the 10th day of each month.</p> <p>When the Company and its subsidiaries at the time of public announcement make an error or omission in an item required by regulations to be publicly announced and so are required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company and its subsidiaries acquiring or disposing of assets shall keep all relevant contracts, meeting</p>		<p>refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with this procedure need not be counted toward the transaction amount.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format onto the information reporting website designated by FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports, as well as CPA, attorney, and securities underwriter</p>	

Article	Amended Articles	Original Article	Current Articles	Explanation
	minutes, log books, appraisal reports, as well as CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for five years except other laws provide otherwise.		opinions at the Company, where they shall be retained for five years except other laws provide otherwise.	
Article 32	<p>Under any of the following circumstances occurs after the Company <u>and its subsidiaries</u> announce the transactions declared in accordance with the preceding article, they shall publicly announce and report the relevant information on FSC's designated website within two days counting inclusively from the date of occurrence of the event:</p> <p>I. Changes, termination, or rescission of the contract signed by the original transaction.</p> <p>II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>III. Changes in the originally publicly announced report.</p>	Article 32	<p>Under any of the following circumstances occurs after the Company announce the transactions declared in accordance with the preceding article, they shall publicly announce and report the relevant information on FSC's designated website within two days counting inclusively from the date of occurrence of the event:</p> <p>I. Changes, termination, or rescission of the contract signed by the original transaction.</p> <p>II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>III. Changes in the originally publicly announced report.</p>	Wording is amended in accordance with the amendment to Article 1.

## 7. Comparison Table of Draft Amendment to the Company's Procedures for Engaging in Derivatives Trading

Attachment 7.

**Taiming Assurance Broker Co., Ltd.**

### **Comparison Table of Draft Amendment to the Procedures for Engaging Derivatives Transactions**

Article Number	Amended Articles	Current Articles	Explanation
Article 2	<p>I. Type of transaction</p> <p>(I) The term "derivatives" used by the Company refers to the contract (such as forward contract, option, futures, interest rate or exchange rate, swap, or hybrid contracts combining the contracts above) in which the value of the derivatives is derived from such commodities as assets, interest rate, exchange rate, index, or other interests.</p> <p>The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>(II) Matters related to bond margin trading shall be handled in accordance with the relevant provisions of this procedure. The bond transactions under repurchase agreements are not applicable to the processing provisions.</p>	<p>I. Type of transaction</p> <p>(I) The term "derivatives" used by the Company refers to the contract (such as forward contract, option, futures, interest rate or exchange rate, swap, or hybrid contracts combining the contracts above) in which the value of the derivatives is derived from such commodities as assets, interest rate, exchange rate, index, or other interests.</p> <p>The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>(II) Matters related to bond margin trading shall be handled in accordance with the relevant provisions of this procedure. The bond transactions under repurchase agreements are not applicable to the processing provisions.</p>	<p>Wording is revised and amended in accordance with the official document (No. 1082100146) signed on August 26, 2019.</p>

Article Number	Amended Articles	Current Articles	Explanation
	<p>II. Hedging strategy In the case of engaging in derivatives trading, the focus should be on hedging. Commodities that can circumvent the risks arising from the Company's business operations should be selected. The currency held must be consistent with that used for the Company's actual import and export transactions, to, in principle, square off the Company's internal positions (foreign currency revenue and expenditure) on its own so as to reduce the Company's overall foreign exchange risk and save foreign exchange operating costs. Transactions for other specific purposes shall be carefully evaluated and submitted to the Board for approval before proceeding.</p> <p>III. Division of responsibilities</p> <p>(I) Financial Department</p> <ol style="list-style-type: none"> <li>1. Responsible for the formulation of the Company's financial transactions.</li> <li>2. Trading personnel shall regularly calculate positions, collect market information, make</li> </ol>	<p>II. Hedging strategy In the case of engaging in derivatives trading, the focus should be on hedging. Commodities that can circumvent the risks arising from the Company's business operations should be selected. The currency held must be consistent with that used for the Company's actual import and export transactions, to, in principle, square off the Company's internal positions (foreign currency revenue and expenditure) on its own so as to reduce the Company's overall foreign exchange risk and save foreign exchange operating costs. Transactions for other specific purposes shall be carefully evaluated and submitted to the Board for approval before proceeding.</p> <p>III. Division of responsibilities</p> <p>(I) Financial Department</p> <ol style="list-style-type: none"> <li>1. Responsible for the formulation of the Company's financial transactions.</li> <li>2. Trading personnel shall regularly calculate positions, collect market information, make</li> </ol>	

Article Number	Amended Articles	Current Articles	Explanation
	<p>trend judgment and risk assessment, formulate operational strategies, prepare internal documents, and obtain approval from the supervisor with approval authority as the basis for trading.</p> <p>3. Execute transaction according to authorization and the established strategies.</p> <p>4. When there are major changes in the financial market and the trading personnel judge that the established strategies are no longer applicable, they shall put forward an evaluation statement at any time, sign an internal document, reformulate the strategies, and take them as the basis for trading upon the approval of the General Manager.</p> <p>(II) Accounting Department</p> <p>1. Provide information on risk exposure positions.</p> <p>2. Conduct accounting and prepare financial statements in accordance with</p>	<p>trend judgment and risk assessment, formulate operational strategies, prepare internal documents, and obtain approval from the supervisor with approval authority as the basis for trading.</p> <p>3. Execute transaction according to authorization and the established strategies.</p> <p>4. When there are major changes in the financial market and the trading personnel judge that the established strategies are no longer applicable, they shall put forward an evaluation statement at any time, sign an internal document, reformulate the strategies, and take them as the basis for trading upon the approval of the General Manager.</p> <p>(II) Accounting Department</p> <p>1. Provide information on risk exposure positions.</p> <p>2. Conduct accounting and prepare financial statements in accordance with</p>	



Article Number	Amended Articles	Current Articles	Explanation												
	<p>IFRS.</p> <p>3. Report and make announcements in accordance with FSC's regulations.</p> <p>(III) Approval authority for derivative instruments</p> <p>1. Approval authority for hedging transactions</p> <table><tr><td>Personnel with approval authority</td><td>Approval authority for a single transaction</td></tr><tr><td>Chairman</td><td><u>NT\$1,000,000 or less</u></td></tr><tr><td>Board of Directors</td><td><u>NT\$1,000,000 or more</u></td></tr></table> <p>2. Transactions with other transaction purposes can only be carried out upon the approval of the Board of Directors.</p> <p>3. Where the Company engages in derivative transactions in accordance with the prescribed procedures or other legislative requirements that shall be approved by the Board of Directors, if any Director expresses objection, which is recorded on the record or in a written statement, the Company shall also send the Director's objections to the Audit Committee. In</p>	Personnel with approval authority	Approval authority for a single transaction	Chairman	<u>NT\$1,000,000 or less</u>	Board of Directors	<u>NT\$1,000,000 or more</u>	<p>IFRS.</p> <p>3. Report and make announcements in accordance with FSC's regulations.</p> <p>(III) Approval authority for derivative instruments</p> <p>1. Approval authority for hedging transactions</p> <table><tr><td>Personnel with approval authority</td><td>Approval authority for a single transaction</td></tr><tr><td>Chairman</td><td><u>NT\$50,000,000 or less</u></td></tr><tr><td>Board of Directors</td><td><u>NTD\$50,000,000 or more</u></td></tr></table> <p>2. Transactions with other transaction purposes can only be carried out upon the approval of the Board of Directors.</p> <p>3. Where the Company engages in derivative transactions in accordance with the prescribed procedures or other legislative requirements that shall be approved by the Board of Directors, if any Director expresses objection, which is recorded on the record or in a written statement, the Company shall also send the Director's objections to the Audit Committee.</p>	Personnel with approval authority	Approval authority for a single transaction	Chairman	<u>NT\$50,000,000 or less</u>	Board of Directors	<u>NTD\$50,000,000 or more</u>	
Personnel with approval authority	Approval authority for a single transaction														
Chairman	<u>NT\$1,000,000 or less</u>														
Board of Directors	<u>NT\$1,000,000 or more</u>														
Personnel with approval authority	Approval authority for a single transaction														
Chairman	<u>NT\$50,000,000 or less</u>														
Board of Directors	<u>NTD\$50,000,000 or more</u>														

Article Number	Amended Articles	Current Articles	Explanation
	<p>addition, the Company has set up independent directors. When a transaction related to acquisition or disposal of an asset is reported to the Board of Directors for discussion, the opinion of each independent director shall be fully considered. If an independent director objects to or expresses reservations about any matter involved, it shall be stated in the minutes of the Board of Directors meeting.</p> <p>(IV) Audit Department Responsible for understanding the appropriateness of the internal control of derivative transactions, auditing the compliance of the trading department with the operating procedures, and analyzing the transaction cycle, preparing an audit report, and reporting to the Board of Directors when there is a major deficiency.</p> <p>(V) Performance evaluation</p> <p>1. Hedging transactions</p> <p>(1) The</p>	<p>In addition, if the Company has set up independent directors, when a transaction related to acquisition or disposal of an asset is reported to the Board of Directors for discussion, the opinion of each independent director shall be fully considered. If an independent director objects to or expresses reservations about any matter involved, it shall be stated in the minutes of the Board of Directors meeting.</p> <p>(IV) Audit Department Responsible for understanding the appropriateness of the internal control of derivative transactions, auditing the compliance of the trading department with the operating procedures, and analyzing the transaction cycle, preparing an audit report, and reporting to the Board of Directors when there is a major deficiency.</p> <p>(V) Performance evaluation</p> <p>1. Hedging transactions</p> <p>(1) The</p>	

Article Number	Amended Articles	Current Articles	Explanation
	<p>performance evaluation is based on the gain or loss between the exchange rate cost on the Company's books and the transaction of derivatives.</p> <p>(2) The Financial Department shall provide the foreign exchange position evaluation and the foreign exchange market trend as well as the market analysis to the General Manager as a reference for management and instructions.</p> <p>2. The performance of transactions for specific purposes is evaluated based on the actual gain or loss, and the accountants shall regularly prepare the position statements as a reference for the management.</p> <p>(VI) Total contract amount and establishment of upper limit of loss</p> <p>1. Total contract</p>	<p>performance evaluation is based on the gain or loss between the exchange rate cost on the Company's books and the transaction of derivatives.</p> <p>(2) The Financial Department shall provide the foreign exchange position evaluation and the foreign exchange market trend as well as the market analysis to the General Manager as a reference for management and instructions.</p> <p>2. The performance of transactions for specific purposes is evaluated based on the actual gain or loss, and the accountants shall regularly prepare the position statements as a reference for the management.</p> <p>(VI) Total contract amount and establishment of upper limit of loss</p> <p>1. Total contract</p>	

Article Number	Amended Articles	Current Articles	Explanation
	<p>amount</p> <p>(1) For the transaction limit of hedging transactions, the Financial Department shall master the overall position of the Company to avoid transaction risks. The amount of hedging transactions shall not exceed two-thirds of the overall net position of the Company. If the amount exceeds two-thirds, it shall be reported to the General Manager for approval.</p> <p>(2) Transactions for specific purposes are based on predictions of market changes, and the Financial Department may formulate strategies as needed and submit them to the Board of</p>	<p>amount</p> <p>(1) For the transaction limit of hedging transactions, the Financial Department shall master the overall position of the Company to avoid transaction risks. The amount of hedging transactions shall not exceed two-thirds of the overall net position of the Company. If the amount exceeds two-thirds, it shall be reported to the General Manager for approval.</p> <p>(2) Transactions for specific purposes are based on predictions of market changes, and the Financial Department may formulate strategies as needed and submit them to the Board of</p>	

Article Number	Amended Articles	Current Articles	Explanation
	<p>Directors for approval before proceeding. The total contract amount of the Company's net accumulated position from the Company's transactions for specific purposes shall be limited to NT\$50 million.</p> <p>2. Establishment of upper limit of loss</p> <p>(1) Hedging transactions are not subject to the upper limit of loss because the loss or gain of the hedging position is offset against each other.</p> <p>(2) For a transaction contract for a specific purpose, after the position is established, a stop loss point shall be set to prevent excessive losses. The setting of the stop loss point shall not exceed 10% of</p>	<p>Directors for approval before proceeding. The total contract amount of the Company's net accumulated position from the Company's transactions for specific purposes shall be limited to NT\$50 million.</p> <p>2. Establishment of upper limit of loss</p> <p>(1) Hedging transactions are not subject to the upper limit of loss because the loss or gain of the hedging position is offset against each other.</p> <p>(2) For a transaction contract for a specific purpose, after the position is established, a stop loss point shall be set to prevent excessive losses. The setting of the stop loss point shall not exceed 10% of</p>	

Article Number	Amended Articles	Current Articles	Explanation
	<p>the transaction contract amount. If the loss exceeds 10% of the transaction amount, it shall be reported to the General Manager immediately and reported to the Board of Directors to discuss the necessary response measures.</p> <p>(3) The amount of individual contract losses shall not exceed 5% of the transaction contract amount as the upper limit of loss.</p> <p>(4) The maximum annual loss limit of the Company's trading operations for specific purposes is NT \$5 million.</p>	<p>the transaction contract amount. If the loss exceeds 10% of the transaction amount, it shall be reported to the General Manager immediately and reported to the Board of Directors to discuss the necessary response measures.</p> <p>(3) The amount of individual contract losses shall not exceed 5% of the transaction contract amount as the upper limit of loss.</p> <p>(4) The maximum annual loss limit of the Company's trading operations for specific purposes is NT \$5 million.</p>	

## **Appendix**

### **1. The Company's Rules Governing Shareholders' Meetings**

#### **Appendix 1.**

### **Taiming Assurance Broker Co., Ltd. Rules Governing Shareholders' Meetings**

#### **Article 1.**

To establish a strong governance system and sound supervisory capabilities as well as to strengthen the management capabilities for the Company's shareholders meetings, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

#### **Article 2.**

The rules for the Company's shareholders meetings, except as otherwise provided by laws, regulations, or the Corporate Charter, shall be as provided in these Rules.

#### **Article 3.**

The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by law.

The Company shall specify the reasons and explanations of various proposals, including the notice of shareholders' meeting, the power of attorney form, related proposals for recognition and discussion, and election or dismissal of directors in an electronic file, which shall be transmitted to the Market Observatory Post System (MOPS). And before the 21s days before the general shareholders' meeting or 15 days before the provisional shareholders' meeting, the shareholders' meeting handbook and supplementary materials shall be made into electronic files and sent to MOPS. Fifteen days before the shareholders' meeting, the handbook and supplementary materials of the current shareholders' meeting shall be prepared for shareholders to request at any time and displayed at the Company and the professional stock agency appointed by the Company, while being distributed at the shareholders' meeting.

The notice and announcement shall contain the reason for convening the meeting; the notice can be done electronically if the counterparts agree.

Matters pertaining to election or dismissal of directors, change of the Charter, reduction of capital, application for cessation of public offering, approval of competing with the Company for directors, capital increase from earnings, capitalization of capital surplus, dissolution, merger, spin-off, or any matters as set forth in Paragraph1 of Article 185, Articles 26-1 and 43-6 of the Securities and Exchange Act, as well as Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers

shall be listed and explained in the reasons for convening the meeting and cannot be proposed through a special motion.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such a proposal shall not be included in the agenda. However, if a proposal contains more than one matter, such a proposal shall not be included in the agenda. Where any of the circumstances provided in Paragraph 4 of Article 172-1 of the Company Act applies 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 general shareholders' meeting is held, the Company shall publicly announce the acceptance of shareholders' proposals as well as the location and the time period for submission; the period shall not be less than 10 days. Proposals proposed by shareholders shall be limited to three hundred words, and those exceeding three hundred words shall not be included in the agenda; each shareholder who submits a proposal shall attend the general shareholders' meeting in person or entrust others to attend and participate in the discussion of the proposal. The Company shall notify each shareholder of the processing result of the proposal submitted before the date of the notice of the shareholders' meeting and shall list the proposal in line with the provision of this article in the notice of the meeting. For each proposal submitted by shareholders excluded from the agenda, the Board of Directors shall explain the reasons for the exclusion at the shareholders' meeting.

#### Article 4.

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company, which shall state the scope of the proxy's authorization.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or electronically, a written notice of proxy withdrawal shall be submitted to the Company two days before the meeting date. If the withdrawal notice is submitted past the deadline, votes cast at the meeting by the proxy shall prevail.

#### Article 5.



The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

#### Article 6.

The Company shall specify in its shareholders' meeting notice the time during which shareholders' sign-in will be accepted, the location for sign-in, and other matters for attention.

The time during which shareholders' sign-in will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The location for sign-in shall be clearly marked, and a sufficient number of suitable personnel shall be assigned to handle the sign-in process.

Shareholders and their proxies (hereinafter referred to as "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished. When the government or a corporation is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a corporation is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### Article 7.

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 on leave or for any reason and unable to exercise the powers of the Chairman, the Vice Chairman shall act on behalf of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason and unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six

months or more and who understands the financial and business conditions of the Company. The same shall apply for chair served by a representative of a director who is a corporation.

It is advisable that a shareholders' meeting convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors; at least one member of various functional committees shall attend the meeting and the attendance recorded in the minutes of the shareholders' meeting.

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

The Company may appoint its attorneys, CPAs, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### Article 8.

The Company shall make an uninterrupted audio and video recording of the process from the time it accepts shareholders' sign-in, the sign-in process, the proceedings of the shareholders' meeting to the voting and vote counting process.

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

#### Article 9.

Attendance at a shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised in writing or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to 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 at a shareholders' meeting pursuant to Article 174 of the Company Act.

#### Article 10.

If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.

If the shareholders' meeting is convened by someone with the right to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of these rules, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chairman shall give the opportunity to fully explain and discuss the proposals or extempore motions, as well as the amendments or extempore motions proposed by the shareholders. When the Chairman is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the Chairman may announce the discussion closed and bring the proposal to vote.

#### Article 11.

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

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

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

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

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

After an attending shareholder has spoken, the chair may respond in person or direct

relevant personnel to respond.

#### Article 12.

Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the 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 three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13.

Shareholders have one voting right per share; however, those who are restricted or have no voting rights as listed in Paragraph 2 of Article 179 of the Company Act are not subject to this provision.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights in writing or electronically. In the case of exercise of voting rights in writing or electronically, the methods of exercising the said rights shall be stated in the shareholders' meeting notice. Shareholders who exercise voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the said shareholders are regarded as abstentions for extempore motions and revised proposals at the shareholders' meeting, so the Company shall avoid putting forward extempore motions or revision of original proposals.

In the exercise of voting rights in writing or electronically in the preceding paragraph, the decision represented shall be delivered to the Company two days before the beginning of the shareholders' meeting; where the decision represented are repeated, the one delivered first shall prevail. However, the said decision represented is stated to be withdrawn is not subject to this provision.

After the shareholders exercise their voting rights in writing or electronically, if they want

to attend the shareholders' meeting in person, they shall withdraw the decision represented via the exercise of the voting rights in the preceding paragraph in the same way as the exercise of the voting rights two days before the shareholders' meeting; in the case of withdrawal past the deadline, the voting rights exercised in writing or electronically shall prevail. Where a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholder's meeting, the voting right exercised by the proxy shall prevail.

Except as otherwise provided in the Company Act and the Company's Corporate Charter, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by voting by the shareholders on a case-by-case basis. 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 MOPS.

Where 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.

Vote counting for proposals or elections at the shareholders' meeting 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 recorded.

#### Article 14.

The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected.

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

#### Article 15.

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting

and be distributed to all shareholders within twenty days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be affected by means of electronic transmission.

The distribution of the meeting minutes as described in the preceding paragraph shall be conducted through a public announcement on MOPS.

The meeting minutes shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results of the meeting. The minutes shall be kept permanently throughout the life of the Company.

#### Article 16.

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 explicit disclosure of the same at the venue 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 Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17.

Personnel who handle administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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

When a shareholder violates these Rules and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder to leave from the meeting.

#### Article 18.

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

If the meeting venue is no longer available for continued use and not all of the items

(including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

#### Article 19.

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

## 2. The Company's Corporate Charter

## Appendix 2.

### **Taiming Assurance Broker Co., Ltd. Corporate Charter**

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

- Article 1. The Company is organized in accordance with the Company Act and named Taiming Assurance Broker Co., Ltd.
- Article 2. The Company engages in the following business activities:  
H602011 Life Insurance Brokerage  
H602021 Property Insurance Brokerage
- Article 3. The Company set up its headquarters in Taipei City. When necessary, it may set up branch offices at home or abroad with a resolution adopted by the Board of Directors.
- Article 4. The Company makes public announcements in accordance with Article 28 of the Company Act.
- Article 4-1. The Company's external investment may exceed the paid-up capital by more than 40 percent and the Board of Directors shall be authorized to proceed accordingly.
- Article 4-2. The Company may, for the needs of its business or the invested enterprise, handle endorsement and guarantee in accordance with the provisions of the Company's endorsement guarantee operation procedure.

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

- Article 5. The total capital of the Company is NT\$300,000,000, divided into 30 million shares, each of which shall be NT\$10 in terms of par value, and the Board of Directors shall be authorized to issue the shares in installments.
- Article 6. The Company's shares are name-bearing certificates, signed and stamped by three Directors or more, and issued in compliance with relevant laws and regulations after approval.  
The Company's shares issued may be exempted from being printed, but shall be registered with the centralized securities depository enterprises.
- Article 7. The book closure date implemented to facilitate each general and provisional shareholders' meeting shall be determined in accordance with the provisions in Article 165 of the Company Act and five days before the base day set for share transfer and settlement of dividend and other interests.

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

- Article 8. Shareholders' meeting can be classified into general or provisional meeting. The general meeting is held at least once per year, commenced within six months after the end of a fiscal year, and the provisional meeting is held



whenever necessary in accordance with the relevant laws and regulations. The convening notice of the shareholders' meeting can be done electronically with the consent of the counterparts. For shareholders holding fewer than one thousand registered shares, the notice in the preceding paragraph may be done through announcement.

Article 8-1. When the Company intends to revoke a public offering, the matter shall be done after a resolution is adopted at the shareholders' meeting.

Article 9. When a shareholder cannot attend the shareholders' meeting for any reason, he/she shall obtain a proxy form issued by the Company stating the scope of authorization and sign or stamp the form to appoint a proxy to attend the meeting on his/her behalf.

The use of the proxy form shall be in compliance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies enforced by the competent authority, unless other stipulated in the Company Act.

Article 10. Unless otherwise prescribed in laws and regulations, holder of each share shall have one vote.

Article 11. Unless otherwise stipulated in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

The voting rights of the Company's shareholders may be exercised in writing or electronically at a shareholders' meeting.

Article 12. Where the Company has only one corporate shareholder, the Board of Directors shall exercise the functions and powers of the shareholders' meeting of the Company, and the provisions of the Corporate Charter concerning the shareholders' meeting shall not apply.

#### **Chapter 4. Directors and Audit Committee**

Article 13. The Company shall have six to nine directors and the authorization for the number of directors shall be determined by the Board of Directors. The Board of Directors shall have at least three independent directors, which shall not be fewer than one-fifth of the total number of directors. The term of office of directors is three years. The directors shall be elected by the shareholders' meeting from among the persons with disposing capacity, regardless of the status of shareholders, and they are eligible for re-election. Upon the expiration of the term of office of a director and under the circumstance that the election cannot be held in time, the director's term may be lengthened until a newly elected director takes office.

As specified in Article 192-1 of the Company Act, the candidate nomination system shall be followed for election of directors in the Company. The shareholders shall elect directors from the list of director candidates. Regarding the determination of independent directors' professional qualifications, shareholding, part-time job restrictions, independence, nomination and selection methods, or other matters to be complied with, the relevant laws and regulations shall be followed.

The Company may buy liability insurance for its directors, within the scope of business during their term of office.

Article 13-1. The Audit Committee of the Company shall be composed of all independent directors, with no fewer than three members, one of whom shall be the convener, and at least one of whom shall have financial or accounting expertise.

Article 14. The Board of Directors is organized by the directors; with two-thirds or more of the directors' present and the majority of the directors' present agreeing to elect one person from themselves to be the Chairman and another person to be the Vice Chairman. The Chairman shall have the authority to represent the Company.

Article 14-1. For the convening of the Board of Directors' meeting, the reasons shall be clearly stated, the directors shall be notified seven days in advance. However, in case of emergency, the said meeting may be convened at any time. The notice mentioned in the preceding paragraph may be affected in writing or electronically.

Article 15. In the case that the Chairman of the Board is on leave or absent or cannot exercise his power and authority for any cause, his representative shall be selected according to Article 208 of the Company Act. Unless otherwise provided, a Board of Directors meeting requires presence of over half of the directors and agreed upon by over half of the directors' present. Directors may appoint proxies with a letter proxy that states the scope of authorization. However, one proxy can only be appointed by one director. If the meeting of the Board of Directors is conducted by video conference, the directors taking part in the video conference are deemed to have attended the meeting in person.

Article 16. Compensations for the directors shall be determined by the Board of Directors according the involvement and contribution of each director, with reference to the industry standards.

## **Chapter 5. Managers**

Article 17. The Company may engage managers, and their appointment, dismissal and compensations shall be conducted in accordance with Article 29 of the Company Act.

## **Chapter 6. Accounting**

Article 18. At the end of each accounting period, the Board of Directors shall prepare (i) business report, (ii) financial statements, and (iii) motions for the allocation of surplus or deficiency and other forms, submit them to the Audit Committee for examination and verification in accordance with the law, and submit them to the general shareholders' meeting for recognition.

Article 18-1. If the Company has profits in a fiscal year, it shall set aside 1% to 5% of the profits for employee compensation and no more than 5% of the profits for director compensation. However, if the Company has accumulated losses, the profits shall be first reserved for offsetting the losses.

The employee compensation stated in the preceding paragraph may be paid in the forms of stock or cash, and the director compensation in cash only.

The distribution of employee compensation and director compensation shall be determined at a Board of Directors meeting with more than two-thirds of all Directors present and approval of no fewer than one-half of the Directors present while reported at the shareholder's meeting.

- Article 19. If there is a surplus in the Company's annual final accounts, the Company shall pay taxes first and make up for the accumulated losses. Another 10% of the surplus is appropriated as a legal surplus reserve. However, when the legal surplus reserve has reached the Company's total paid-in capital, it may be exempted from being appropriated, and the special surplus reserve may be provided or reversed in accordance with the laws and regulations or according to business needs. If there is still a surplus, the Board of Directors shall draw up a surplus distribution proposal, submitted to the shareholders' meeting to decide on shareholder dividend distribution.
- In the volatile business environment, the Company is still in the growth stage. In response to future expansion plans, shareholder dividends must be paid in the form of both cash and stock, of which the ratio of cash dividends to total dividends shall not be less than 50%. However, the shareholders' meeting may have to adjust it according to the actual situation.

## **Chapter 7. Supplementary Provisions**

- Article 20. Matters not specified in the Corporate Charter shall be handled in accordance with the provisions of the Company Act.
- Article 21. This Corporate Charter is established on October 3, 2002.  
The first amendment was approved on May 1, 2004.  
The second amendment was approved on June 10, 2005.  
The third amendment was approved on June 9, 2006.  
The fourth amendment was approved on June 13, 2007.  
The fifth amendment was approved on June 20, 2008.  
The sixth amendment was approved on June 17, 2009.  
The seventh amendment was approved on June 14, 2013.  
The eighth amendment was made on June 1, 2007.  
The ninth amendment was made on June 30, 2015.  
The tenth amendment was approved on May 14, 2014.  
The eleventh amendment was approved on June 10, 2015.  
The twelfth amendment was approved on June 15, 2016.  
The thirteenth amendment was approved on June 14, 2017.  
The fourteenth amendment was approved on June 8, 2018.  
The fifteenth revision was approved on February 20, 2018.

### 3. The Company's Ethical Corporate Management Best Practice Principles

#### Appendix 3.

##### **Taiming Assurance Broker Co., Ltd. Ethical Corporate Management Best Practice Principles**

- Article 1. To establish a corporate culture of ethical management and ensure sound development, the Company has formulated these principles as a framework for building good business operations.  
The Company has formulated the Ethical Corporate Management Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. These principles also apply to subsidiaries, whose direct or indirect endowment exceeds 50% of incorporated foundation, and other groups, enterprises, and organizations having substantive control (hereinafter referred to as groups, enterprises, and organizations).
- Article 2. When engaging in commercial activities, directors, managerial officers, employees, people appointed, or persons having substantive control over the Company ("substantive controllers") shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.  
Parties referred to in the preceding paragraph include civil servants, political candidates, political parties, or members of political parties, state-run or private-owned businesses or institutions, and their directors, managerial officers, employees or substantive controllers or other stakeholders.
- Article 3. "Benefits" in these Principles refer to any valuable things, including money, endowments, commissions, positions, services, preferential treatment, or rebates in any form or name. However, benefits received or given occasionally in line with accepted social customs and that do not adversely affect specific rights and obligations are not subject to this requirement.
- Article 4. The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflict of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the basic precondition to facilitate ethical corporate management.
- Article 5. The Company shall abide by the operational philosophies of honesty, transparency, and responsibility, base policies on the principle of good faith, and, with the approval of the Board of Directors, establish good corporate governance and risk control and management mechanism to create an operational environment for sustainable development.

- Article 6. The ethical management policies established by the Company shall clearly and thoroughly prescribe the specific ethical management practices and the plans to prevent unethical conduct ("prevention plans"), including operational procedures, guidelines, and training.  
When establishing the prevention plans, the Company shall comply with the relevant local laws and regulations where the Company and its group's enterprises operate. In the process of developing the prevention plans, the Company shall negotiate with employees, important trading counterparties, or other stakeholders.
- Article 7. When formulating prevention plans, the Company shall analyze the business activities associated with high risk of unethical conduct within the business scope and shall strengthen relevant preventive measures. The prevention plan established by the Company shall at least include preventive measures against the following:
- I. Offering and acceptance of bribes.
  - II. Illegal political donations.
  - III. Improper charitable donations or sponsorship.
  - IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
  - V. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
  - VI. Engaging in unfair competitive practices.
  - VII. The direct or indirect damage to the rights, health, and safety of consumers or other stakeholders in the process of providing services or sales.
- Article 8. The Company and the group's enterprises shall clearly specify ethical corporate management policies and the commitment by the Board of Directors and the management to the rigorous and thorough implementation of such policies in their policies and external documents and shall carry out the policies in internal management and in commercial activities.
- Article 9. The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Before cooperation, the Company shall consider the legality of agents, suppliers, customers, or other transaction counterparties and whether they engage in unethical conduct, to avoid transactions with those involved in unethical conduct.  
When the Company signs a contract with other entities, the content of the contract shall include provisions requiring compliance to its ethical management policy and termination or cancellation of the contract at any time in the event of unethical conduct by the transaction counterparty.
- Article 10. When conducting business, the Company and its Directors, managers, employees, people appointed, and substantive controllers shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits, including rebates, commissions, facilitation fees, or otherwise offer or accept improper benefits to or from customers, agents, contractors, suppliers, public servants, or other stakeholders. However, if this complies

with the local laws, this requirement shall not apply.

- Article 11. When the Company and its Directors, managers, employees, people appointed, and substantive controllers provide donations to political parties, organizations, or individuals involved in political activities directly or indirectly, it shall comply with the Political Donations Act and relevant internal operational procedures and shall not make such donations in exchange for commercial gains or business advantages.
- Article 12. The Company and its Directors, managers, employees, people appointed, and substantive controllers shall comply with relevant laws and internal procedures for charitable donations or sponsorships, and they must not engage in bribery in disguise.
- Article 13. The Company and its Directors, managers, employees, people appointed, and substantive controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality, or other improper benefits to establish business relationships or influence commercial transactions.
- Article 14. The Company and its Directors, managers, employees, people appointed, and substantive controllers shall abide by the relevant laws and regulations on intellectual property, the Company's internal operating procedures, and contractual provisions; they shall not use, leak, dispose of, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.
- Article 15. The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.
- Article 16. In the process of research and development, procurement, manufacturing, provision, or sale of products and services, the Company and its Directors, managers, employees, people appointed, and substantive controllers shall observe applicable laws and regulations and international standards to ensure the transparency of the information about and safety of their products and services. It shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and implement them in operational activities to prevent products or services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.
- Article 17. The directors, managers, employed persons, appointed persons, and substantive controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures, and continually make improvements so as to ensure thorough implementation of its ethical corporate management policies.  
To improve ethical management, the Company shall set up a dedicated

unit under the Board of Directors and allocate sufficient resources and qualified personnel to the unit to be responsible for the formulation and supervision of ethical management policy and prevention plans. It is mainly responsible for the following matters and reports to the Board of Directors regularly (at least once a year):

- I. Assisting in integrating integrity and ethical values into the Company's business strategy and formulating relevant anti-fraud measures to ensure ethical management in line with the legal systems.
- II. Regularly analyzing and evaluating the risks of unethical conduct within the business scope, formulating prevention plans for unethical conduct accordingly, and setting the standard operating procedures and behavior guidelines for relevant work related for each plan.
- III. Planning the internal organization, structure and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Developing a whistle-blowing system and ensuring its operating effectiveness.
- VI. Assisting the Board of Directors and the management in auditing and assessing whether the preventive measures adopted for the purpose of implementing ethical management are operating effectively, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18. The Company's Directors, managers, employees, people appointed, and substantive controllers shall comply with laws and regulations and the prevention plans when conducting business.

Article 19. The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for Directors, managers, and other stakeholders attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When one of the Company's Directors, managers, and other stakeholders attending or present at a Board meeting, or a corporation represented thereby, has a conflict of interest with a proposal at the Board meeting, the Director, manager, or stakeholder shall state the important aspects of the conflict of the interest at the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The Directors shall practice self-discipline as to their internal relationship and must not support each other in an inappropriate manner.

The Company's Directors, managers, employees, people appointed, and substantive controllers shall not take advantage of their positions or

influence in the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other person.

Article 20. The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall draw up relevant audit plans based on the assessment results of the risk of unethical conduct, including targets audited, scope, auditing items, and frequency, and audit the compliance with prevention plans accordingly, and may appoint CPAs to perform audits; may ask professionals to assist when necessary.

Article 21. The Company shall establish operational procedures and guidelines in accordance hereof to guide Directors, managers, employees, people appointed, and substantive controllers on how to conduct business. The procedures and guidelines shall at least contain the following matters:

- I. Standards for defining offering or acceptance of improper benefits.
- II. Procedures for offering legitimate political donations.
- III. Procedures for offering legitimate charity donations or sponsorships and the amount standard.
- IV. Rules for avoiding work-related conflicts of interest and how they should be reported and handled.
- V. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
- VI. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct
- VII. Handling procedures for violations of these Principles.
- VIII. Disciplinary measures on offenders.

Article 22. The Chairman, General Manager, or senior manager of the Company shall communicate the importance of corporate ethics to Directors, employees, and people appointed on a regular basis. The Company shall periodically organize training and awareness programs for Directors, managers, employees, people appointed, and substantive controllers and invite the Company's commercial transaction counterparties so they can fully understand the Company's resolve to implement ethical corporate management, relevant policies, prevention plans, as well as the consequences of committing unethical conduct. The Company shall link the policies of ethical corporate management to its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23. The Company shall establish and implement a solid reporting system, which shall cover at least the following matters:

- I. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports.
- II. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be



reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.

- III. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
- IV. Confidentiality of the identity of whistle-blowers and the content of reported cases.
- V. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
- VI. Whistleblowing incentive measures.

If a serious violation is found or the Company is in danger of severe losses, the Company's dedicated personnel or unit responsible for accepting the case shall prepare a written report immediately to notify the independent directors.

- Article 24. The Company shall establish and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules. The Company shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.
- Article 25. The Company shall collect quantitative data about the promotion of ethical corporate management and continuously analyze and assess the effectiveness of the promotion of ethical corporate management policy. It shall also disclose the measures taken for implementing ethical management, the status of implementation, the aforementioned quantitative data, and the effectiveness of promotion on its official website, annual reports, and prospectuses, and shall disclose their ethical corporate management principles on MOPS.
- Article 26. The Company shall, at all times, monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its Directors, managers, and employees to make suggestions based on which the adopted ethical corporate management policies and measures taken can be reviewed and improved with a view to achieving better implementation of ethical corporate management.
- Article 27. Where the Company that has engaged any independent director, when the ethical corporate management best practice principles are submitted for discussion by the Board of Directors as required, each independent director's opinions shall be fully considered. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. If an independent director cannot attend the Board of Directors meeting to object to or expresses reservations about any matter, in addition to a legitimate reason, he/she shall issue written opinions in advance, which shall be specified in the minutes of the Board of Directors meeting.
- Article 28. These principles shall be implemented after the resolution is adopted at the Board of Directors and shall be reported to the shareholders' meeting, and the same shall apply to any amendment.

#### 4. The Company's Operating Procedure for Acquisition and Disposal of Assets

#### Appendix 4.

### **Taiming Assurance Broker Co., Ltd. Operating Procedure for Acquisition and Disposal of Assets**

#### Article 1. Purpose

In order to strengthen control over the acquisition or disposal of the Company's assets and to implement information disclosure operations, this procedure has been particularly formulated.

#### Article 2. Legal basis

This procedure is formulated in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the Regulations) released by the Financial Supervisory Commission (hereinafter referred to as FSC).

#### Article 3. The scope of application of the assets referred to in this procedure is as follows:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real estate (including land, houses and buildings, investment property, and rights to use land) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use asset
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivative goods.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other important assets.

#### Article 4. Terms used in this procedure are defined as follows:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the contracts above; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, and long-term purchase (sales) contracts.
- II. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer

of shares in accordance with law: Refer to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act, or other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

- III. Related parties and subsidiaries: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: The term refers to a real estate appraiser or others duly authorized by law to engage in the value appraisal of real estate or equipment.
- V. Date of occurrence: The term refers to the date of transaction contract signing, date of payment, date of consignment trade, date of transfer, date of Boards of Directors resolution, or other dates on which the counterpart and monetary amount of the transaction can be confirmed, whichever date is earlier. However, for investments for which approval of the competent authority is required, the earlier of the date above or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities in the jurisdiction where they are located.
- VIII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities in the jurisdiction where it is located.
- IX. Over-the-counter venue ("OTC venue"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

#### Article 5.

The respective maximum amount for the Company and its subsidiaries to acquire the assets above is set as follows:

- I. The total amount of real estate not for business use shall not be higher than the net value of the Company.
- II. The total amount of long-term and short-term marketable securities shall not be higher than the net value of the Company.
- III. The amount invested in individual marketable securities shall not be higher than the net value of the Company.
- IV. Where the Company invests in a subsidiary of which it holds 50% of the voting rights

shares directly or indirectly, the amount of investment shall not be subject to this article.

#### Article 6.

This procedure formulated by the Company in accordance with the Regulations shall be approved by the Board of Directors.

When this procedure is submitted to the Board of Directors for discussion, the opinion of each independent director shall be fully considered. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

This procedure shall be approved by more than one-half of all members of the Audit Committee and submitted to the Board of Directors for a resolution.

If the preceding paragraph is not approved by more than one-half of all members of the Audit Committee, it may only be implemented with approval of more than two-thirds of all Directors, and the resolution of the Audit Committee shall be stated in the minutes of the Board of Directors meeting.

All members of the Audit Committee mentioned in Paragraph 3 and all Directors mentioned in the preceding paragraph are counted based on the actual incumbents.

#### Article 7.

This procedure shall record the following matters and shall be handled in accordance with this procedure:

- I. Scope of assets
- II. Appraisal procedures: Shall include the means of price determination and supporting reference materials.
- III. Operating procedures: Shall include the degree of authority delegated, the levels to which authority is delegated, the units responsible for implementation, and transaction process.
- IV. Public announcement and declaration procedures.
- V. Total amounts of real estate and right-of-use assets thereof or securities acquired by the Company and each subsidiary for business use, and limits on individual securities.
- VI. Control procedures for the acquisition and disposal of assets by subsidiaries.
- VII. Penalties for personnel violating these regulations or this procedure for the acquisition or disposal of assets.
- VIII. Other important matters.

The Company that engages in any related party transaction, derivatives trading, or a merger, demerger, acquisition, or transfer of shares from enterprises shall, in addition to conducting such matters in compliance with the provisions of the preceding paragraph, shall formulate this procedure in accordance with the provisions of Section III through Section V of this Chapter.

If a public company does not intend to engage in derivatives trading, it may, after obtaining the approval of the Board of Directors, be exempted from formulating procedures governing derivatives trading. If it wishes to engage in derivatives trading afterwards, it shall still be required first to comply with the provisions of the preceding article and the preceding paragraph before doing so.

The Company shall supervise the subsidiaries to formulate and implement the procedures for the acquisition or disposal of assets in compliance with these regulations.

#### Article 8.

When the Company acquires or disposes of assets in accordance with this Procedure or other laws and regulations, the Company shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

For significant assets or derivatives transactions, the Company shall agree with the consent of more than half of the audit committee members and submit a resolution to the Board of Directors for resolution, and adopt Paragraph 4, Paragraph 4 and 5.

#### Article 9.

For the Company's acquisition or disposal of real estate, equipment, or right-of-use asset, the responsible unit shall sign and report relevant reasons for such acquisition or disposal and then transact based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company after inquiry or price comparison or bargaining.

If the transaction amount for the Company's acquisition or disposal of the real estate or equipment other than equipment that is traded with a domestic government agency, manufactured on the self-owned lands or leased lands, or equipment or its right-of-use asset acquired or disposed for operation purpose is 20% of the Company's paid-in capital or NT\$300 million or more, an appraisal report issued by a professional appraiser shall be obtained before the fact occurs and the following conditions shall be met:

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) of ROC and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - (I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
  - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- IV. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.

#### Article 10.

When the Company acquires or disposes of the marketable securities, it shall consider the net worth per share, profitability, and market value of each share while evaluating the reasonableness of the price; the dedicated unit shall submit an evaluation report and proceed based on the amount authorized and level of the Company's approval authority in accordance with the procedure of power of decision of the Company.

Where the Company acquires or disposes of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPAs shall do so in accordance with the provisions of Statement of Auditing Standards No. 20. published by the ARDF.

The preceding requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of FSC.

- (I) Securities issued in accordance with the laws or through fundraising and obtained through cash contributions, and the right represented by the securities is equal to the proportion of the cash contributions.
- (II) Participation in the subscription of securities issued at par value by companies for capital cash increase in accordance with relevant regulations.
- (III) Participation in subscription of securities issued by an investee of which the Company holds, directly or indirectly, 100% of shares for cash capital increase or participation in mutual subscription of securities issued by 100%-owned subsidiaries.
- (IV) Securities in stock, over-the-counter, and emerging stock markets that are traded on the stock exchange or at securities firms' business premises.
- (V) Domestic public debt or bonds under repurchase or reverse repurchase agreements.
- (VI) Public placement funds.
- (VII) Acquisition or disposal of company stocks listed in the OTC market in accordance with the Taipei Exchange Rules Governing Reverse Auction of TPEx Listed Securities or auction rules.
- (VIII) Participation in subscription of stocks issued by domestic public companies for cash capital increase or subscription of domestic corporate bonds (including bank debentures), and the securities acquired are not securities privately offered.
- (IX) Subscription of domestic funds via private placement before the establishment of the fund in accordance with Paragraph 1 of Article 11 of the Securities Investment Trust and Consulting Act or subscription or redemption of domestic private placement funds for which the trust contract specifies an investment strategy with the same investment scope as public placement funds, except for securities credit transactions and positions of products related to securities held not written-off.

#### Article 11.

When the Company acquires or disposes of intangible assets or its right-of-use asset or membership card, it shall consider its market conditions and future profitability, and evaluate the reasonableness of its price; the dedicated unit shall submit an evaluation report and proceed handled based on the amount authorized and level of the Company's approval

authority in accordance with the procedure of power of decision of the Company.

Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

#### Article 12.

The amount of the first three paragraphs shall be calculated in accordance with Paragraph 2 of Article 31, and the said one-year period shall be calculated on the basis of the date on which the transaction actually occurred, and calculated one year in advance, and the part of the appraisal report or the opinion of the CPA issued by the professional appraiser in accordance with this procedure shall not be included in the calculation.

#### Article 13.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.

#### Article 14.

In acquiring or disposing of assets, the Company and their related parties shall, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction conditions in accordance with the provisions of this procedure, obtain an appraisal report or CPA's opinion issued by the professional appraiser in accordance with Articles 9 to 12 of this procedure if the transaction amount amounts to 10% or more of the total assets of the Company.

The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provision of Article 12.

When judging whether the transaction counterpart is a related party, in addition to paying attention to its legal form, they shall consider the substantive relationship.

#### Article 15.

When the Company acquires or disposes of real estate or right-of-use assets from related parties, or acquire or dispose of other assets other than real estate or other right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets, or NT \$ 300 million or more, except for buying and selling domestic government bonds, bonds under repurchase or reverse repurchase agreements, subscribing to or redeeming money market funds issued by domestic securities investment trusts, the following materials shall be submitted to the Audit Committee for review. After approved by the Board of Directors, the transaction contract may be signed and payment made:

- I. The purpose, necessity, and anticipated benefit of the acquisition or disposal of the asset.
- II. The reason for selecting the related party as the transaction counterpart.
- III. Information related to evaluation of the reasonableness of the predetermined transaction terms in accordance with Articles 16 and 17 for acquisition of real estate

from related parties.

- IV. The related party's original acquisition date and price, the transaction counterpart, and the relationship between the transaction counterpart and the Company and the related party.
- V. The income and expenditure forecast table for each month of the coming year, which is expected to start from the month when the contract takes effect and the evaluation of the necessity of the transaction and the reasonableness of the application of funds.
- VI. Appraisal report from professional appraisers or CPA's opinion obtained in accordance with the preceding article.
- VII. The restricted conditions of this transaction and other important agreed matters.

The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Paragraph 2 of Article 30, and the so-called within one year refers to the year preceding the date of occurrence of the current transaction. The transaction amount has been submitted to the Audit Committee for review in accordance with this provision, and after approved by the Board of Directors, part of the amount may not need to be included again.

In the case of acquisition or disposal of equipment for business use between the Company and its parent company or subsidiaries, the Board of Directors may authorize the Chairman to make a decision on his own within a certain amount in accordance with Subparagraph 3 of Paragraph 1 of Article 7, and then report it at the most recent meeting of the Board of Directors for recognition afterwards.

When a transaction is submitted to the Board of Directors for discussion in accordance with Paragraph 1, the opinion of each independent director shall be fully considered. Any objections or reservations made by the independent directors shall be stated in the minutes of the Board of Directors meeting.

Matters that should be reviewed by the Audit Committee in accordance with the provision of Paragraph 1 shall be approved by more than one-half of all members of the Audit Committee and submitted to the Board of Directors for resolution, which is subject to mutatis mutandis application of the provisions of Paragraphs 4 and 5 of Article 6.

#### Article 16.

Where the Company acquires real estate or right-of-use asset thereof from a related party, the reasonableness of the cost of the transaction shall be evaluated in accordance with the following methodology:

- I. Based upon the related party's transaction price, interest of necessary funding, and the costs that are legally to be duly borne by the buyer are calculated. The said interest cost of necessary funding shall be calculated based on the weighted average interest rate of the loans borrowed in the year when the Company acquires the assets, but it shall not be higher than the highest loan interest rate for non-financial sectors announced by the Ministry of Finance.
- II. If the related party has previously created a mortgage on the property as security for a loan, the total value of actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, it does not apply if the financial institution and one party involved in the transaction are related to each other.

Where the land and the structure of the same subject matter are acquired or leased, the



transaction cost of the land and the structure may be assessed, respectively, by any of the methods listed in the preceding paragraph.

The Company shall assess the cost of real estate or right-of-use assets thereof acquired based on the provisions of the preceding two paragraphs and consult CPAs for review and specific comments in acquiring real estate or right-of-use asset thereof from the related party.

If the Company acquires the real estate or right-of-use asset thereof from the related party, under any of the following circumstances, they shall act in accordance with the provisions of Article 15 and the preceding three provisions shall not apply:

- I. Where the related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- II. More than five years will have elapsed from the time the related party signed the contract to obtain the real estate or right-of-use assets thereof to the signing date for the current transaction.
- III. Where the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
- IV. Where the real property right-of-use assets for business use are acquired by the Company with its parent company or subsidiaries, or by its subsidiaries in which the Company holds 100 percent of the issued shares or authorized capital directly or indirectly.

#### Article 17.

When the results of the Company's appraisal conducted in accordance with Paragraphs 1 and 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in accordance with Article 18. However, if because of the following circumstances, and objective evidence is provided and specific reasonable opinions of real estate professional appraisers and accountants are obtained, this requirement does not apply.

- I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - (I) In the case of an assessment of undeveloped land is conducted with the method specified in the preceding article, rational operating profits shall be added to the house according to the related party's operating cost, and the total shall exceed the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
  - (II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area prices in accordance with standard property market practices.
- II. Where the Company acquires real estate or obtains real estate right-of-use assets through leasing, from a related party and provide evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the

preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refer to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate or obtainment of the right-of-use assets thereof.

#### Article 18.

When the Company acquires real property or right-of-use asset thereof from a related party, the Company shall carry out the following items if the evaluation results in the preceding two articles are lower than the transaction price:

- I. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real estate or right-of-use asset thereof, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the Company.
- II. The Audit Committee shall comply with Article 218 of the Company Act.
- III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real estate or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

#### Article 19.

The Company shall pay attention to the following important risk management and audit matters when engaging in derivative transaction, and incorporate them into the procedures:

- I. The trading principles and guidelines: shall include the types of derivative transaction, the operation or hedging strategies, the division of rights and responsibilities, the key points of performance evaluation, and the total contract amount of derivative transaction, as well as the maximum amount of total and individual contract losses.
- II. Risk management measures.
- III. Internal audit system.
- IV. Regular evaluation methods and the handling of abnormal circumstances.

#### Article 20.

The Company shall adopt the following risk management measures when engaging in derivative transactions:

- I. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
- II. Personnel engaged in derivatives trading may not serve concurrently in other operations, such as confirmation and settlement.
- III. Risk measurement, monitoring, and control personnel shall be assigned to a different department from the one where the personnel in the preceding subparagraph belong and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
- IV. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
- V. Other important risk management measures.

#### Article 21.

The Company's derivative transactions are conducted in the following principles:

- I. Designate senior management personnel to pay attention to monitoring and control of derivatives trading risk.
- II. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:

1. Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these guidelines and this procedure.
2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; independent directors shall be present at the Board of Directors meeting and express an opinion.

The Company shall report to the soonest Board of Directors meeting after it authorizes relevant personnel to handle derivatives trading in accordance with its procedures for engaging in derivatives trading.

#### Article 22.

The Company engaging in derivatives trading shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, date of approval by the Board of Directors, and the matters required to be carefully evaluated under Subparagraph 4 of Article 20 and Subparagraph 2 of Paragraph 1, and Subparagraph 1 of Paragraph 2 of the preceding article shall be recorded in detail in the memorandum book.

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives, conduct a monthly audit of the trading department's compliance with the derivatives transaction processing procedures, and prepare an audit report. If any material violation is discovered, the Audit Committee shall

be notified in writing.

#### Article 23.

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

#### Article 24.

The Company that participates in a merger, demerger, or acquisition shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders meeting and include it along with the expert opinion referred to in Paragraph 1 of the preceding Article as well as the notification of the shareholders' meeting for reference for determination of whether to approve the merger, demerger, or acquisition. However, where other laws exempt the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this requirement does not apply.

Where any party of the companies participating in a merger, demerger, or acquisition fails to convene a shareholders' meeting or pass a resolution at the shareholders' meeting due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected at the shareholders meeting, the companies participating in the merger, demerger, or acquisition shall immediately publicly explain the reason, the follow-up measures, and the scheduled date of the next shareholders' meeting.

#### Article 25.

The Company that participates in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the same day to resolve matters related to the merger, demerger, or acquisition, unless other laws provide otherwise or FSC is notified in advance of extraordinary circumstances and grants its consent.

The Company that participates in a transfer of shares shall convene a Board of Directors meeting on the same day, unless other laws provide otherwise or FSC is notified in advance of extraordinary circumstances and grants its consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:

- I. Basic information of personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to the disclosure of the information.
- II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the engaging of a financial or legal adviser, the signing of a contract, and the convening of a board meeting.

- III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within two days counting inclusively from the date of passage of a resolution by the Board of Directors, report the information set out in Subparagraphs 1 and 2 of the preceding paragraph in the prescribed format to the FSC for reference via an Internet-based information system.

For companies participating in the merger, demerger, acquisition, or transfer of shares that are not listed on the stock exchange or traded over the counter, the Company shall sign an agreement with the said companies and shall proceed in accordance with the provisions of the preceding two paragraphs.

#### Article 26.

Every person participating in or aware of the plan for merger, demerger, acquisition, or transfer of shares shall issue a written confidentiality commitment and shall not disclose the content of the plan prior to public disclosure of the information and shall not trade, in their own name or under the name of another person, any stock or other equity securities of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

#### Article 27.

The Company that participates in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
- II. An action, such as a disposal of major assets, that affects the Company's financial operations.
- III. An event, such as the major disaster or major change in technology, that affects shareholder equity or share price.
- IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company buys back treasury stock in accordance with the law.
- V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- VI. Other terms or conditions that the contract stipulates may be altered and that have been publicly disclosed.

#### Article 28.

The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- I. Handling of breach of contract.
- II. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is

demerged.

- III. The number of treasury stocks that participating companies are permitted under law to buy back after the base date of the calculation of share exchange ratio, and the principles for handling thereof.
- IV. The manner of handling changes in the number of participating entities or companies.
- V. Preliminary progress schedule for plan execution and anticipated completion date.
- VI. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

#### Article 29.

After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends to further carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, the Company may be exempted from calling another shareholders meeting to resolve on the matter anew.

#### Article 30.

Where any of the Company and other companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 25, Article 26, and the preceding article.

#### Article 31.

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real estate or right-of-use asset thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- IV. The type of assets in acquisition or disposal falls into equipment for operation use or right-of-use asset thereof, the transaction counterpart is not a related party, and the transaction amount meets one of the following provisions:
  - (I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.

- (II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- V. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterpart is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:
  - (I) Trading of domestic government bonds
  - (II) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
  - (III) Trading of bonds under repurchase and reverse repurchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- I. The amount of each transaction
- II. The cumulative transaction amount of acquisitions and disposals of the same type of the target asset with the same transaction counterpart within the preceding year.
- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or right-of-use assets thereof of the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with this procedure need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format onto the information reporting website designated by FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts,

meeting minutes, log books, appraisal reports, as well as CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for five years except other laws provide otherwise.

#### Article 32.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by FSC within two days counting inclusively from the date of occurrence of the event:

- I. Changes, termination, or rescission of the contract signed by the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- III. Changes in the originally publicly announced report.

#### Article 33.

Information required to be publicly announced and reported in accordance with the provisions of Chapter 3 on acquisitions or disposals of assets by any of the Company's subsidiaries that is not a public company in Taiwan shall be reported by the Company.

For the public announcement and declaration standards of Paragraph 1 of Article 30 regarding the 20% of paid-in capital or 10% of total assets applicable to the subsidiaries referred to in the preceding paragraph, the Company's paid-in capital or total assets shall prevail.

#### Article 34.

For the calculation of 10 percent of total assets under this procedure, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

#### Article 35.

Where the Company's relevant personnel violate the handling rules or this procedure, it shall be handled in accordance with the Company's working rules and internal regulations.

#### Article 36.

This procedure shall be approved by the Board of Directors and be implemented after being approved at the shareholders' meeting.



## 5. The Company's Procedure for Engaging in Derivatives Trading

### Appendix 5.

#### **Taiming Assurance Broker Co., Ltd. Procedure for Engaging in Derivatives Trading**

##### Article 1. Purpose

- I. In order to effectively manage the Company's revenues and expenditures, assets and liabilities, reduce the risks caused by changes in foreign exchange and interest rates, and thus increase the competitiveness of the Company, this procedure is hereby formulated as the basis for the accurate management of the Company's financial asset transactions.
- II. This procedure is formulated in accordance with the Operating Procedure for Acquisition and Disposal of Assets. If there is anything not specified herein, it shall be handled in accordance with relevant laws and regulations.

##### Article 2. Principles and Approach of Transaction

###### I. Transaction Type

- (I) The term "derivatives" used by the Company refer to the contracts (such as forward contracts, option, futures, interest rates or exchange rates, exchange, or hybrid contracts combining the contracts above) in which the value of the derivatives is derived from such commodities as assets, interest rate, exchange rate, index, or other interests.

The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- (II) Matters relating to margin trade shall be handled in accordance with the relevant provisions of this procedure. The bond transactions under repurchase agreements are not applicable to the processing provisions.

###### II. Hedging Strategies

In the case of engaging in derivatives trading, the focus should be on hedging. Commodities that can circumvent the risks arising from the Company's business operations should be selected. The currency held must be consistent with that used for the Company's actual import and export transactions, to, in principle, square off the Company's internal positions (foreign currency revenue and expenditure) on its own so as to reduce the Company's overall foreign exchange risk and save foreign exchange operating costs. Transactions for other specific purposes shall be carefully evaluated and submitted to the Board for approval before proceeding.

###### III. Division of Rights and Responsibilities

- (I) Financial Department

1. Responsible for strategy formulation of the whole Company's financial trading.
2. Trading personnel shall regularly calculate positions, collect market information, exercise judgment on trends, conduct risk assessment, formulate operational strategies, prepare internal documents, and obtain approval from the supervisor with verification authority as the basis for trading.
3. Execute transactions according to delegation of authority and established policies.
4. When there is a major change in the financial market and the trading personnel judge that the established strategies are no longer applicable, they shall put forward an evaluation statement at any time, sign an internal document, reformulate the strategies, and adopt them as the basis for trading upon the approval of the General Manager.

(II) Accounting Department

1. Provide information on risk exposure positions.
2. Accounting and preparation of financial statements based on International Financial Reporting Standards.
3. Undertake declaration and announcement according to the regulations of FSC.

(III) Derivative Approval Authority

1. Hedging transaction approval authority

Personnel with approval authority	Approval authority for a single transaction
Chairman	NT\$50,000,000 or less
Board of Directors	NT\$50,000,000 or more

2. Transactions for other specific purposes shall not be carried out until they are submitted to the Board of Directors for approval.
3. Where the Company engages in derivative transactions in accordance with the prescribed procedures or other legislative requirements, which shall be approved by the Board of Directors, if any director expresses objection, which is recording on the record or in a written statement, the Company shall also send the director's objection to the Audit Committee. In addition, if the Company has set up independent directors, when a transaction related to acquisition or disposal of an asset is reported to the Board of Directors for discussion, the opinion of each independent director shall be fully considered. If an independent director objects to or expresses reservations about any matter involved, it shall be stated in the minutes of the Board of Directors meeting.

(IV) Audit Department

Responsible for understanding the appropriateness of the internal control of derivative transactions, auditing the compliance of the trading department with the operating procedures, and analyzing the transaction cycle, preparing an audit report, and reporting to the Board of Directors when there is a major deficiency.

(V) Performance evaluation

1. Hedging transactions

- (1) The performance evaluation is based on the gain or loss between the exchange rate cost on the Company's books and the transaction of derivatives.
- (2) The Financial Department shall provide the foreign exchange position evaluation and the foreign exchange market trend as well as the market analysis to the General Manager as a reference for management and instructions.

2. For transactions for specific purposes, the performance evaluation is based on the actual gain or loss, and accountants shall prepare position statements regularly as a reference for the management.

(VI) Total contract amount and establishment of upper limit of loss

1. Total contract amount

- (1) For hedging transaction limit, the Financial Department shall keep abreast of the Company's overall position of to avoid transaction risks. The amount of hedging transactions shall not exceed two-thirds of the overall net position of the Company. If the amount exceeds two-thirds of the position, it shall be reported to the General Manager for approval.
- (2) Transactions for specific purposes are based on predictions of market changes, and the Financial Department may formulate strategies as needed and submit them to the Board of Directors for approval before proceeding. The total contract amount of the Company's net accumulated position from the Company's transactions for specific purposes shall be limited to NT\$50 million.

2. Establishment of upper limit of loss

- (1) Hedging transactions are not subject to the loss limit because the loss or gain of the hedging position is offset against each other.
- (2) For transaction contracts for specific purposes, a stop loss point shall be established after the position is established to prevent excess loss. The setting of the stop loss point shall not exceed 10% of the transaction contract amount. If the loss exceeds 10% of the transaction amount, it shall be reported to the General

Manager immediately and reported to the Board of Directors to discuss the necessary response measures.

- (3) The maximum amount of loss for an individual contract shall not exceed 5% of the transaction contract amount.
- (4) The maximum annual loss of the trading operation for specific purposes of the Company is NT\$5 million.

Article 3. Accounting Treatment

The accounting treatment of the relevant transactions of the Company shall be handled in accordance with the relevant provisions of the accounting system except as provided in this procedure.

Article 4. Risk Management Measures

I. Credit risk management:

As the market is prone to the operational risks of derivative financial assets due to the changes of various factors, the following principles shall be followed in the market risk management:

- (I) Trade counterpart: mainly well-known financial institutions at home and abroad.
- (II) Traded commodities: limited to commodities provided by well-known financial institutions at home and abroad.

II. Market risk management:

Mainly the exchange transaction market provided by banks, and futures market is not considered for the time being.

III. Liquidity risk management:

To ensure market liquidity, financial products shall be selected with high liquidity (i.e. they can be squared off in the market at any time). Financial institutions entrusted with transactions must have sufficient information and the ability to trade in any market at any time.

IV. Cash flow risk management:

To ensure the stability of the Company's working capital turnover, the capital source of the Company engaged in derivative transactions shall be limited to its own capital, and for the operating amount, the capital demand in the cash income and expenditure forecast in the following three months shall be considered.

V. Operational risk management:

- (I) The Company shall strictly abide by the Company's authorized amount, operating procedures, and include the internal audit to avoid operational risks.
- (II) Trading personnel engaged in derivatives and operational personnel engaged in confirmation and settlement shall not serve concurrently.
- (III) Risk measurement, monitoring, and control personnel shall be assigned to a different department from the one where the personnel in the preceding subparagraph work and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
- (IV) The positions held in a derivatives exchange shall be evaluated at

least once a week, but at least twice a month for hedging transactions required by the business, and the evaluation report shall be sent to the senior executive authorized by the Board of Directors.

VI. Commodity risk management:

Insider traders shall have complete and correct professional knowledge of financial assets and require banks to fully expose risks so as to avoid risks of financial assets.

VII. Legal risk management:

Documents signed with financial institutions shall be signed with appropriate approval authority to avoid legal risks.

Article 5. Internal Audit System

Internal auditors shall check the admissibility of the internal control of derivative transactions regularly, check the compliance of the Trading Department with the derivatives transaction processing procedures monthly, analyze the transaction cycle, and prepare an audit report. If a major violation is found, the Audit Committee shall be notified in writing.

Article 6. Regular Assessment Methods and Abnormality Handling

- I. The Board of Directors shall authorize high-level executives regularly to monitor and assess whether the engagement in derivatives trading is in accordance with the Company's trading procedure and whether the risks borne are within the scope of the Company's tolerance; when the market price evaluation report is abnormal (such as the position of held exceeding the upper limit of loss), the said executives shall immediately report to the Board of Directors and take corresponding measures.
- II. The positions held in a derivatives exchange shall be evaluated at least once a week, but at least twice a month for hedging transactions required by the business, and the evaluation report shall be sent to the senior executive authorized by the Board of Directors.

Article 7. Supervision and Management Principles of the Board of Directors When Engaging in Derivatives Trading.

- I. The Board of Directors shall designate senior executives to keep the derivatives transaction risk under supervision and control. The management principles are as follows:
  - (I) Regularly evaluate whether the risk management measures currently in use are appropriate and are in accordance with the "Operating Procedure for Acquisition and Disposal of Assets" and the procedures for dealing with derivatives transactions prescribed by the Company.
  - (II) Supervise trading and the situation of profit and loss, and take necessary measures in case of any abnormality and report to the Board of Directors immediately. If the Company has engaged independent directors, independent directors shall be present and express their opinions at the Board of Directors meeting.
- II. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

III. Where the Company authorizes the relevant personnel to deal with the derivatives transactions in accordance with the provisions of the derivatives transaction procedures, it shall report to the Board of Directors afterwards.

Article 8. The Company shall establish a memorandum book for the type, amount, date of approval by the Board of Directors, and the matters which shall be carefully evaluated in accordance with Paragraph 2 of Article 6, Paragraphs 1 and 2 of Article 7, and the details shall be set out in the memorandum book for future reference.

Article 9. Public Declaration Procedure

I. The Company shall, on a monthly basis, enter into the information reporting website designated by FSC by the 10th day of each month, in accordance with the prescribed format, the information of the Company and its non-domestic publicly listed subsidiaries engaged in derivative transactions as of the end of last month.

II. In the event that the loss of a derivative transaction reaches the maximum amount of all or any individual contract loss specified in this procedure, the relevant information shall be announced and reported on the website designated by FSC within two days from the date of occurrence in accordance with the prescribed format.

Article 10. Penalty

The Company engaged in derivative transactions shall notify the Audit Committee in writing of any material violation discovered by its internal auditors. Where the relevant personnel of the transaction violate the handling procedures with specific causes and the circumstances are serious, they shall be punished according to the working rules of the Company based on the seriousness of the circumstances.

Article 11. Implementation and Amendment

After the Company's Procedure for Engaging in Derivatives Trading is approved by the Board of Directors, it shall be sent to the Audit Committee and submitted to the shareholders' meeting for approval; the same shall apply for any amendment. If a director expresses objection, which is recorded on the record or in a written statement, the Company shall also send the directors' objection to the Audit Committee.

In addition, if the Company has engaged independent directors, when the Procedure for Engaging in Derivatives Trading is submitted to the Board of Directors for discussion, the opinion of each independent director shall be fully considered; objection or reservations expressed by independent directors shall be stated in the minutes of the Board of Directors meeting.

6. Information Regarding Compensation to Employees and Directors

**Appendix 6.**

**Information Regarding Compensation to Employees and Directors**

At the 5th meeting of the 7th Board of Directors on February 26, 2020, the Company discussed and approved the consideration of NT\$1,923,150 for employees and bonus of NT\$1,923,150 to directors for 2019, totaling NT\$3,846,300. The payment was made in cash and will be executed after the approval of this shareholders' meeting.

The sum stated above conformed to the sum recognized for the fiscal year.

7. The Effect of Dividend Distribution on the Company's Operating Performance, Earnings per Share, and Return on Equity

**Appendix 7.**

**The Effect of Dividend Distribution on the Company's Operating Performance, Earnings per Share, and Return on Equity**

Because no stock dividend has been allocated this year, this is not applicable.

## 8. Shareholding of the 7th Board of Directors

### Appendix 8.

#### Taiming Assurance Broker Co., Ltd. Shareholding of the 7th Board of Directors

Stock Transfer Closing date: March 29, 2020

Title	Name	Date of appointment	Term	Number of shares held currently
Chairman	Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chih Lee	2019.05.31	3	9,025,907
Director	Taiwan Navigator Asset Investment Co., Ltd. Representative: Chi-Chieh Wei	2019.05.31	3	9,025,907
Director	Cheng-Rong Enterprise Co., Ltd. Representative: Mo-Hang Wu	2019.05.31	3	47,959
Independent Director	Chien-Hsiang Chang	2019.05.31	3	0
Independent Director	Fu-Kuei Huang	2019.05.31	3	0
Independent Director	Chuang-Teng Tsai	2019.05.31	3	0
Number of shares held by all directors: 9,073,866, accounting for 36.26% of total shares				

- Note: 1. In accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the total number of shares held by all directors shall be no fewer than 3,753,645 (15% of the Company's total issued shares).
2. The Company has set up an Audit Committee to replace the Supervisory Board. Therefore, the regulations regarding shareholding of supervisors do not apply.



- Additional Information

Proposals put forward by shareholders in this general shareholders' meeting  
Content:

1. In accordance with Article 172-1 of the Company Act, a shareholder holding more than one percent of the total number of shares issued may submit proposals for the general shareholders' meeting and nomination of director (including independent directors) candidates in writing to the Company.
2. For this year's general shareholders' meeting of the Company, shareholders' proposals would be accepted from 9 a.m. on March 19, 2020 to 5 p.m. on March 30, 2020, which has been announced on MOPS in accordance with the law.
3. The Company did not receive any shareholders' proposal or nomination of director candidates during the aforementioned acceptance period.