Statement of Compliance with Stewardship Principles for Institutional Investors

The First Insurance Co., Ltd. (hereafter referred to as “the Company”) is principally engaged in property insurance and, as defined by the Institutional Investor Stewardship Principles, is an “asset owner.” The Company invests its own capital and reserves, responsibly deploying company funds to exert appropriate influence in the financial markets and on investee companies, thus fulfilling its role as a responsible institutional investor.

The Company hereby declares its compliance with the Institutional Investor Stewardship Principles, and reports its observance of the six key principles as follows:

Principle 1: Establish and disclose stewardship policies

The Company’s objective is to enhance long-term enterprise value and fulfill its responsibilities as an institutional investor by supporting high-quality enterprises committed to sustainable development, thereby promoting positive societal outcomes. The Company’s stewardship policies include:

1. To strengthen asset management, control investment risk, and safeguard solvency—upholding long-term commitments to customers and shareholders—the Company has established a comprehensive investment policy framework and internal procedural guidelines.
2. Prior to any investment, the Company conducts thorough due diligence on prospective investee entities, evaluating their operations, financial health, and performance in environmental, social, and governance (ESG) aspects. All investment decisions are made via collective deliberation and formal approval procedures.
3. Post-investment, the Company continuously monitors investees through participation in investor briefings, review of published

reports, attendance at shareholder meetings and voting, and consultation of evaluations from specialized agencies. Should an investee breach legal requirements, fail to meet ESG responsibilities, or demonstrate unethical behavior, the Company will consider reducing or divesting its investment.

4. The Company discloses its stewardship activities on its official website (https://www.firstins.com.tw) and updates the disclosure at least annually.

Principle 2: Establish and disclose policies on managing conflicts of interest

To ensure that the Company conducts its operations in the best interest of its clients and shareholders, a robust conflict-of-interest management policy has been implemented, covering the nature of potential conflicts and corresponding mitigation measures:

1. Examples of potential conflicts include:

    - Executing trades or investments at the expense of clients or shareholders for personal gain.
    - Prioritizing one client or shareholder’s benefit to the detriment of others.

2. The Company has instituted an internal control mechanism—“Conflict-of-Interest Prevention for Investment Staff”—including guidelines and procedures for transactions involving stakeholders; employees are required to avoid personal investment practices that conflict with the Company’s interests or exploit non-public information. These controls are supported by staff training, defined roles and responsibilities, and internal audits.
3. For any material conflicts that may arise, the Company shall periodically or on an ad-hoc basis summarize the incidents and outline the methods used to resolve them.

Principle 3: Regularly monitor investee companies

To ensure access to sufficient and timely information for constructive engagement with investees and for informed decision-making, the Company monitors investee firms on:

- Legal and operational developments
- Financial performance
- Industry context
- Strategic direction
- Environmental initiatives
- Corporate social responsibility
- Labor rights
- Corporate governance practices

The specific measures are:

1. Reviewing analyses from professional agencies and participating in investor briefings to gather investee-related information.
2. Applying transparent selection criteria for core holdings, including performance metrics and CSR adherence (e.g., environmental efforts, labor rights protections, public-welfare engagement); entities with poor performance, ethical concerns, or significant CSR violations are excluded.
3. Monitoring macroeconomic, political, and financial developments; when significant events or serious ESG or financial issues arise at an investee, the Company will formulate countermeasures and may decrease or liquidate its position.

Principle 4: Maintain an appropriate dialogue and interaction with investee companies

The Company engages in appropriate, constructive dialogue with investee companies to understand their business strategies, performance, and risk exposures, particularly in ESG matters. The engagement methods include:

1. Individual communication via conference calls, or joint engagement with other institutional investors.
2. Participation in investee presentations, attendance at shareholder meetings, and expressive voting behavior to publicly demonstrate the Company's concerns and position on key issues.
3. In the event of a situation posing risk to clients' or the Company's investment interests, the Company will proactively approach the investee via phone or email to seek timely engagement.

Principle 5: Establish and disclose clear voting policies and voting results

To protect the interests of clients and shareholders, and in compliance with the Insurance Act and related regulations, the Company has adopted a clear voting policy and actively exercises its shareholder voting rights—rather than automatically approving management-proposed resolutions. The key features of this policy include:

1. Voting may be conducted in writing or electronically.
2. A designated Company representative shall exercise voting rights at all shareholder meetings.
3. The Company's votes shall always consider the best interests of clients, shareholders, and employees. It shall not undertake share swaps, trusts, agency agreements, or any arrangements that would transfer benefits to investee companies or third parties.
4. Prior to each meeting, the Company documents its voting rationale. Post-meeting, voting records are submitted to the Board.
5. Generally, the Company supports financial statements and profit reporting resolutions, abstains from voting on elections of directors or supervisors (as required by law), and clearly articulates reasons when opposing any proposal.
6. The Company maintains records of all voting activities and regularly discloses these on its website.

Principle 6: Periodically disclose the status of fulfilment of stewardship responsibilities

The Company publishes periodic disclosures on its website (http://www.firstins.com.tw), including:

- This Statement of Compliance
- Explanations for any unfulfilled principles
- Conflict-of-interest policies
- Records of shareholder meeting attendance and voting results
- Other material stewardship-related matters

Signed:
The First Insurance Co., Ltd.
Date: 28 October 2020