

Stewardship Principles for Institutional Investors Compliance Statement and Voting Guidelines

Formulated on June 21, 2024

1. The Company primarily operates in life insurance and acts as asset owners, making investments with owned positions and various reserves. To maximize the interests of fund providers (including customers, beneficiaries, and shareholders), the Company adheres to the "SKFH Sustainable Finance Policy" as the guiding principle for sustainable investments. Before investing, the Company considers ESG aspects and monitors ESG issues in investee companies. If material ESG issues arise in the investee company, dialogue and communication will be initiated to track the progress of improvement, and the necessity of adjusting the investment strategy will be evaluated.

2. Following Principle Five of the "Shin Kong Life Insurance Co., Ltd. Stewardship Principles for Institutional Investors Compliance Statement", which involves establishing clear voting policies and disclosing voting situations, the Company's exercise of voting rights is based on information obtained about investee companies and considers the impact of resolutions on the long-term collective interests of customers, beneficiaries, and investee companies. The Company may express support, opposition, or abstention and does not unconditionally support resolutions from investee companies. Relevant voting principles are described as follows:

- (1) When exercising voting rights in shareholder meetings as a shareholder of domestic investee companies, the Company may do so in accordance with Article 177-1 of the Company Act in Taiwan, through written or electronic means. The Company exercises voting rights for all investee companies without setting additional thresholds. The Company may attend investee companies' shareholder meetings in person or exercise voting rights electronically. In line with Taiwan Depository & Clearing Corporation policies, electronic voting is prioritized if provided by the investee company.
- (2) Before attending investee companies' shareholder meetings, the Company conducts a thorough evaluation of all resolutions and prepares written analyses of voting assessments to facilitate the exercise of the Company's voting rights. When necessary, the Company may engage in understanding and communication with the management of the investee company before the shareholder meeting.
- (3) In cases where investee companies are involved in material ESG-related issues, controversial events, or resolutions affecting long-term shareholder interests, a careful evaluation is conducted. If necessary, understanding and communication with the management of the investee company may be pursued before the shareholder meeting. The Company's voting guidelines for shareholder meeting resolutions by investee companies are as follows:
 - i. Material ESG-related resolutions highlighted by the Company include:
 - Environmental (E): Climate change is one of the most challenging global issues. Relevant

resolutions encompass investee companies' net zero carbon strategies, setting carbon reduction targets, climate change risk policies, issuing climate transition reports, and projects affecting the environment and biodiversity.

- Social (S): Corporate sustainable development should uphold human rights, diversity, inclusivity, and protect employee working conditions and welfare. Relevant resolutions include the investee company's issuance of restricted stocks that limit employee rights, issuance of employee stock options below market price, transfer of treasury stocks to employees at a price lower than the actual average repurchase price, enhancement of employee benefits, employee hiring policies, and projects that have an impact on society.
 - Corporate governance (G): Corporate sustainable development should prioritize corporate governance, ethical management, financial reporting accuracy, board performance, and the rights and interests of shareholders and stakeholders. Relevant resolutions include mergers, acquisitions, share transfers, divisions, capital increases or decreases, planned listings, and matters involving shareholder rights.
- ii. Significant violations of material ESG-related issues in resolutions should be opposed.
 - iii. In resolutions effectively supporting or improving the environment, society, and corporate governance, support should be expressed.
 - iv. To respect the management expertise of investee companies and promote their effective development, resolutions presented by management are generally but not absolutely supported.
 - v. In cases of board and supervisor elections at shareholder meetings, in compliance with Article 146-1, Paragraph 3 of the Insurance Act in Taiwan or other legal provisions, the Company shall abstain from voting on the election of directors and supervisors of investee companies, as prohibited by relevant laws.
- (4) Voting records in investee companies' annual general meetings should be properly documented. The summary shall be disclosed on the website or institutional investors' stewardship report annually.
 - (5) This Policy also applies to external proxy voting service providers. When delegating voting-related matters to external proxy voting service providers, it should be ensured that their voting recommendations align with the Company's internal voting policy and guidelines.