

First Life Insurance

Institutional Investor Stewardship Principles

First Life Insurance Co., Ltd. primarily engaged in life insurance business, qualifies as an “asset owner” under the Stewardship Principles for Institutional Investors. First Life hereby declares compliance with the Principles and provides the following statement on the implementation of the six principles:

Principle 1: Establish and Disclose Stewardship Policies

First Life offers life insurance products focusing on personal protection and retirement planning, upholding the philosophy of providing every individual with sufficient protection. We are committed to delivering professional products and respectful services, aiming for sustainable operations and fulfilling corporate social responsibilities. First Life’s operational objective is to enhance the long-term value of the company, clients, and shareholders, thereby fulfilling our duty as an institutional investor.

To achieve this objective, First Life has established a Sustainable Investment Policy, Investment Policy Statement, and Responsible Investment and Stewardship Guidelines, which serve as the foundation for executing and managing our investment responsibilities. Key contents include:

(I) Business Overview and Duties to Clients or Beneficiaries

As a life insurer, First Life supports enterprises that value sustainable development. We integrate environmental, social, and governance (ESG) factors into the investment evaluation process to enhance asset value and create long-term investment value of First Life and stakeholders.

(II) Manner and frequency of status disclosure of stewardship fulfilment

Based on investment purpose, potential benefits, and impact on corporate sustainability, First Life determines the approach, scope, and frequency of stewardship activities. These include monitoring ESG issues of investee companies, engaging with management, participating in shareholder meetings, and exercising voting rights to encourage integrate ESG performance and contribute to broader economic and social progress.



(III) Disclosure Method and Frequency

First Life discloses the status of stewardship activities on its official website and updates such disclosures at least annually.

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

First Life's policy on managing conflicts of interest aims to ensure that person in charge and employees operate in the interests of their clients and shareholders. First Life complies with the Financial Holding Company Act, the Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties, and internal policies to manage potential conflicts of interest. Key aspects include:

- (I) Situations of conflicts of interest may include the following:
 - 1. Where First Life or its employees make a transaction or investment to the disadvantage of clients or shareholder; and
 - 2. Where First Life or its employees transaction or investment to the disadvantage of other clients, shareholder or stakeholders.
- (II) Employees must comply with internal policies such as the Employee Code of Conduct, Fair Treatment of Customers Policy, Corporate Governance Guidelines, and the Conflict of Interest Prevention Guidelines for Domestic Equity Investment Personnel, which require avoidance of personal conflicts with Company interests.
- (III) Measures of managing conflicts of interest include training, delegation of duties, information security, control mechanisms regarding detection and monitoring to proactively avoid conflicts.
- (IV) In the event of a material conflict that may harm First Life's reputation or financial stability, First Life will promptly disclose the nature and resolution of the matter to clients, shareholders, or stakeholders.

Principle 3: Regularly monitor investee companies

To build a solid foundation or a view of future investment decisions, First Life regularly monitor investee companies on aspects including news, financial performance, industry outlook, business strategies, environmental protection, social responsibility, labor rights, and corporate governance. First Life will use environmental, social, and corporate governance (ESG) factors to monitor, analyze, and evaluate the related risks and opportunities of investee companies. In cases of serious ESG violations with

regulatory penalties and no improvement, and where investment risks are apparent, First Life will consider withdrawing the investment from the company.

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

First Life maintains an appropriate dialogue and interaction with investee companies to understand their strategic responses to industry risks and foster consensus on long-term value creation. Communication methods include conference calls, meetings, and investor briefings. If major corporate governance violations occur that threaten long-term value, First Life will seek clarification and may collaborate with other investors or join advocacy organizations to expand and leverage influence.

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

(I) Voting Considerations

First Life exercises voting rights objectively based on the best interests of clients and shareholders, following the Insurance Act and related laws. We assess proposals independently and do not absolutely support investee companies.

(II) Voting Policy

Due to the seasonal clustering of shareholder meetings in Taiwan, First Life primarily uses electronic voting, with written proxies or appointed representatives joining shareholders meeting as secondary options.

While generally acknowledge the professional management of the investee company and to promote its effective development, we carefully evaluate each proposal's impact. For proposals that contradict corporate governance and the sustainable development of the investee company (such as unrealistic financial reports or improper director remuneration), or those that significantly affect the ESG, in principle, we will not support them.

If a proposal is likely to have a major impact on financial results of the investee company (such as below significant proposals), we will communicate with the investee company's management to gain a thorough understanding. If the proposal is reasonable and necessary, we will support it in principle. Otherwise, we will oppose it and we will assign representatives to attend shareholder meetings to participate in discussions and express opinions if necessarily.



For significant proposals, including:

1. Capital reduction, termination of public listing, dissolution, mergers, or splits.
2. Entering, modifying, or terminating business lease or joint operation contracts.
3. Transfer of major business or assets.
4. Acquisition of entire business or major assets with significant impact.

In accordance with the Insurance Act and relevant regulatory interpretations, before attending the shareholder meetings of domestic investee companies, First Life will prepare a description of voting rights assessment, and submit a written record to the Board of Directors after voting.

In accordance with Article 146-1 of the Insurance Act, First Life shall not exercise voting rights for the election of directors and supervisors of investee companies, nor shall the Company or its representatives serve as such positions.

First Life may refrain from physical attending or voting at shareholder meetings where holdings are below 1,000 shares or where overseas attendance poses practical difficulties.

(III) Disclosure

Voting results are documented and analyzed. Annual statistics on votes for, against, and abstained are compiled and disclosed on First Life's website.

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

First Life periodically disclose stewardship activities on the official website (<https://www.firstlife.com.tw>), including this Statement of Compliance, explanations for any non-compliance with the Principles, participation in shareholder meetings, voting records, and other material information.

Signed by:

First Life Insurance Co., Ltd.

Date of Initial Signing: December 6, 2016

Date of Latest Update: September 25, 2023

