台新人壽
Taishin Life

Taishin Life Insurance Co., Ltd.

2022
Institutional Investor's
Stewardship Report

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If you need further details, please check the Chinese version.

I Introduction to Taishin Life Insurance

Taishin Life Insurance Co., Ltd. (" Company") operates primarily in the life insurance business. The Company is an asset owner in the definition of institutional investors in the Stewardship Principles for Institutional Investors. The Company invests with proprietary funds and reserves.

For the purpose of meeting the demand for a wide variety of financial products and quality services, Taishin FHC worked actively to branch into the insurance industry, and marked official entry into the insurance market by acquiring a 100% stake in Prudential Life Insurance of Taiwan in 2021. The insurance company was made a subsidiary of Taishin FHC and renamed Taishin Life Insurance. The insurance subsidy, together with the banking subsidiary and the securities subsidiary, is one of the financial holding group's three main engines in offering a wider range of more innovative financial products and services for consumers. For over 30 years, Prudential Life Insurance was known for its well-trained sales team and excellent service. Taishin Life Insurance carries on the legacy of being named a Model Company for 11 times by continuing to give customers peace of mind and bring stability to society.

The Company dedicates itself to keeping sustainability and core operations side by side. To achieve this goal, the Company fulfills the duty of care for insurance funds, establishes and discloses stewardship policies, adheres to the rules in the Insurance Act, the Company Act, and asset management regulations for the insurance industry. As part of its duty of care, the Company ensures that exercise of shareholder rights is consistent with the best interest of its customers and shareholders. At the end of 2022, the Company's total insurance funds in use had reached NT$209.4 billion.

Since joining Taishin FHC, the Company, following its values in corporate social responsibility, has been participating actively in the parent company's ESG activities. Taishin FHCC implemented the Green Finance Principles in 2018. The Principles emphasizes that ESG risk management should be part of transaction review and post-transaction management. Later in August 2023, the Company expanded the Green Finance Principles and replaced it with the Sustainable Finance Policy based on the Principles for Responsible Banking (PRB), the Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and other international sustainable finance initiatives and in compliance with the competent authority's green finance policies and institutional investor stewardship regulations. The Policy names ESG topics to be followed by Taishin FHC and business promotion rules including decarbonization promises, industries worthy of active support, and engagement and communication. Furthermore, the Company signed the Statement of Compliance with Stewardship Principles for Institutional Investors in February 2019. The Company also disclosed the Statement of Compliance[1] in the stewardship section of the disclosure page on the company website to comply with six principles as follows:

Principle 1	•Develop and disclose stewardship policies
Principle 2	•Develop and disclose policies on managing conflicts of interest
Principle 3	•Pay attention to investees constantly
Principle 4	•Make conversation and interaction with investees
Principle 5	•Develop and disclose voting policies and disclose voting situations
Principle 6	•Disclose status of stewardship fulfillment periodically

The Company has disclosed status of compliance with the aforesaid six principles on the company website. The Company also started preparing institutional investor's stewardship reports in 2022. These reports are checked regularly, adjusted as needed, and updated at least once a year. At the end of every September, the Company publishes a report to detail all stewardship activities in the previous year.

[1] https://www.taishinlife.com.tw/zh-tw/page/tab/due-diligence

II. Policy and Compliance Statement

1. Stewardship Policy

A. ESG in investment planning and status of sustainable investing

The global socio-economic environment and climate change are having increasingly lasting effects on technology and civilization. CSR investing has been gaining popularity in financial markets around the world in recent years and made the rule for protecting stakeholder rights in corporate management. In response to this global trend, the Company, regarding insurance fund utilization, complies the parent company's, Taishin FHC's, Sustainable Finance Policy, and has established responsible investing rules in the Investment Policy. The policy explicitly requires that fund utilization be accompanied by inclusion of environmental protection, corporate integrity, and CSR (ESG) in investment strategies, which are to be enforced in pre- and post-investment management.

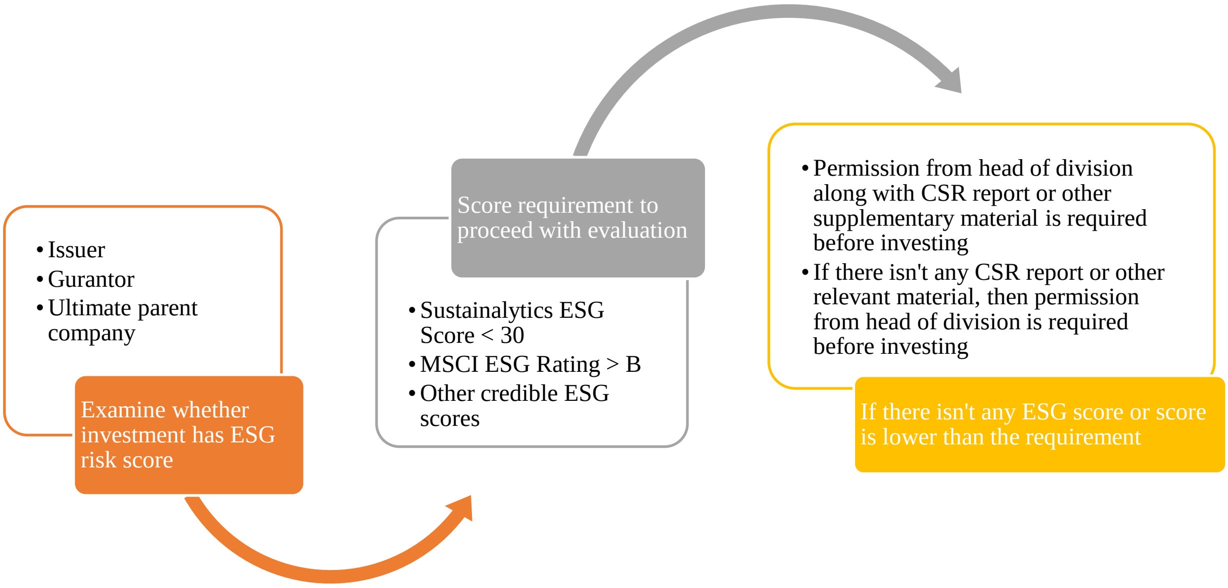
Fund utilization at the Company is divided mainly into proprietary investment and discretionary investment. Their use in ESG and sustainable investment management is described as follows:

Propriety investing

- **Pre-investment analysis -** The assessment of an investment project should give active support to renewable energy, environmental conservation and energy saving, environmental protection, and climate change mitigation related industries, and avoid working directly with tobacco/alcohol/gambling, ESG violating and other controversial industries. In addition, the Company implemented the Pre-investment Assessment and Post-investment Management Guidelines to include ESG benchmarks in the investing process. Investment analysis reports must use the Bloomberg system to check whether an issuer, guarantor, or group/parent company has an ESG risk score, which can include but is not limited to Sustainalytics ESG Score[2] or MSCI ESG Rating[3]. The process of assessing investment analysis reports with ESG risk assessment is as follows:

[2] ESG risk scores provided by Sustainalytics have 5 risk ratings 0-10 (Negligible), 10-20 (Low), 20-30 (Medium), 30-40(High), and 40+ (Severe). A higher score means a higher risk.

[3] The MSCI ESG Rating is assessed on a 7-point scale, AAA, AA, A, BBB, BB, B, and CCC in descending order. A rating of AA or above indicates a company rated an ESG "leader" in its industry. A rating between A and BB indicates a company rated "Average" in ESG performance. A rating between B and CCC indicates a company rated an ESG "laggard" in its industry.



For carbon intensive industries, the Company follows the Dow Jones Sustainability (DJSI) decarbonization trajectory to achieve the following decarbonization targets for investment portfolios.

Coal Industry	Schedule of Stopping New Investment	Schedule of Phasing-Out Entirely
Coal mining	• Stop new investment of coal mining from 2023	Year of 2030
Power plant	• Stop new investment of power plants with coal-fired operations for more than 40% from 2023 • Stop new investment of power plants from 2025 • Investment of green energy power generation is the exception	Year of 2030
Infrastructure	• Stop new investment of land transport and warehousing with more than 40% of coal business from 2023 • Stop new investment of land transport and warehousing with coal business from 2025	Year of 2030

Unconventional Oil & Gas Industry	Schedule of Stopping New Investment	Schedule of Phasing-Out Entirely
Tar sands	Stop new investment from 2023	Year of 2025
Shale oil & gas	Stop new investment from 2030	Year of 2040
Arctic oil & gas	Stop new investment from 2023	Year of 2025
Liquified natural gas	Stop new investment from 2030	Year of 2040
Ultra deep water oil & gas	Stop new investment from 2023	Year of 2025

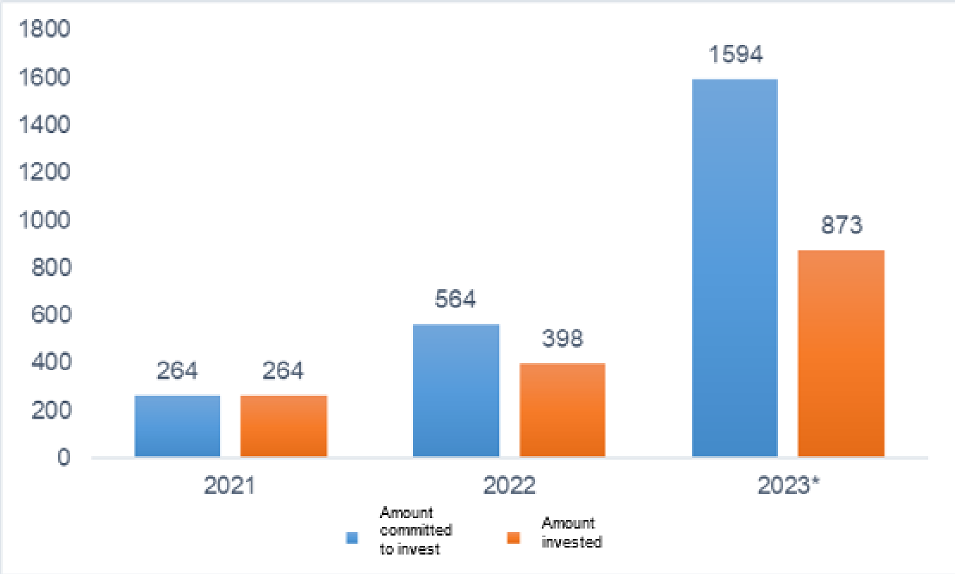
- **Post-investment management -** Investments will continue to be monitored, and companies' in the portfolios will be assessed regularly for ESG compliance. ESG risk scores in the investments are checked every quarter. For investments failing to meet the following, the execution units will be required to propose action plans and submit them for division heads' approval.

- For overall investment position, the total proportion of investment without ESG risk score and CSR report or other relevant material, or Sustainalytics ESG Score larger or equal to 30, or MSCI ESG Rating is B or below shall be smaller than 25%.
- For overall investment position, the total proportion of investment without ESG risk score but having CSR report or other relevant material shall be smaller than 15%.
- The toal proportion of Investment that falling into either one of aforementioned, and issued from Mainland China and Hong Kong shall be smaller than 15%.

The Company started increasing the amount of sustainability themed investment since becoming a member of Taishin FHC. First, in terms of the amount invested in green bonds, the balance rose dramatically from NT$24.4 million at the end of 2021 to NT$583.5 million at the end of 2022, up by nearly 23 times. In addition, in support of the government's policies regarding the Green Finance Action Plan and Six Core Strategic Industries, the Company seeks investment projects of similar themes, such as domestic solar power plants, and focuses on private placements/startup funds in "5+2" startup industries while trying to increase diversity in asset allocation. As of the end of 2022, the total amount of committed investment and the total amount of actual investment reached NT$560 million and close to NT$400 million, respectively. In particular, committed investment more than doubled compared to 2021, and the momentum grew even stronger in 2023. Going forward, the Company will continue to invest more in related areas in order to support sustainable economic growth and receive return on investment, thereby achieving a positive cycle of sustainable investment.

The Company’s Position of Sustainable Investment [4](Unit：million NTD)

[4] The figures for 2023 were estimated based on investment plan of July.



Discretionary investing

At present, the Company's equity investment consists mainly of domestic stocks, all of which are handled through discretionary mandates. The mandated institutions perform certain stewardship activities on the Company's behalf, and engage and interact with the investee companies as appropriate in order to understand their business strategies. Therefore, key items in the selection of discretionary investment service providers include whether ESG assessment is part of the investment process and whether ESG risks and opportunities are considered. These factors are also listed explicitly in the discretionary investment mandate agreements. For post-investment management, the Company, for the purpose of ensuring responsible investing, requires that discretionary investment service providers regularly provide statements of effective execution of anti-money laundering and countering terrorism financing and fulfillment of environmental protection, business ethics and corporate social responsibility. Furthermore, the Company meet with the discretionary investment service providers two to four times a month to discuss strategies in order to stay fully informed of the status of the portfolios.

The discretionary mandate research team will study and collect data on macroeconomic conditions and individual companies' profiles, and assess the financial status and investment value for each stock in order to determine whether to add it to the stock pool (or mainlist). Team members discuss individual stocks, company visits, and industry changes at regular investment meetings, such as daily, monthly, and quarterly meetings, and analyze profile changes and investment strategies for core stocks. The purpose is to perform risk management for the investment strategies and price reasonableness determination for investments.

The process of selecting investments will also involve checking relevant ESG databases, including but not limited to the following sources:

MSCIESG Index	Taiwan Economic Journal (Incl. TCRI)	Market Observation Post System	Sustainalytics ESG Risk Rating
ISS Environmental & Social Disclosure QualityScore	FTSE Russell ESG Score	Taiwanese Corporate Governance Evaluation	CSRone
Bloomberg	Factset	S&P Market Intelligence	Barra Risk Factor Analysis

Discretionary investment service providers will include ESG pros and cons in the stock selection module and give priority to adding companies with higher ESG scores or CSR reports to the stock pool, while avoiding or eliminating stocks with excessively low ESG scores or on the negative list. The screening process is described briefly as follows:

Stage 1: Selection of ESG benchmarks

Quantitative indicators screened from the three major aspects of environment, social responsibility, and corporate governance are included in the ESG standards that meet the team's specifications and their intersection is taken as the first-stage ESG stock selection list. For example, carbon emissions and water consumption are on the negative list, and carbon or water intensive companies are eliminated at the beginning. CSR reporting is on the positive list. An investee company has to issue CSR reports to be included in a module.

Stage 2: Assistance by third party risk assessment

Sustainalytics, a third party for ESG risk ratings, is used to assist in eliminating companies that have not uploaded CSR reports. High ranking companies in the top 10% will provide a basis for screening ESG stocks, which will be supplemented by the stock pool from Stage 1.

Stage 3: Create and monitor investment groups

The companies selected by the ESG criteria in Stage 1 are combined with the companies selected by third party assessment criteria to produce a list of companies. The research team responsible for each stock will study and monitor the company's finance and operation. The list is updated quarterly. In addition, ESG benchmark ratings relevant to the portfolios will be disclosed in the monthly investment analysis reports.

Sustainability performance of investment portfolios

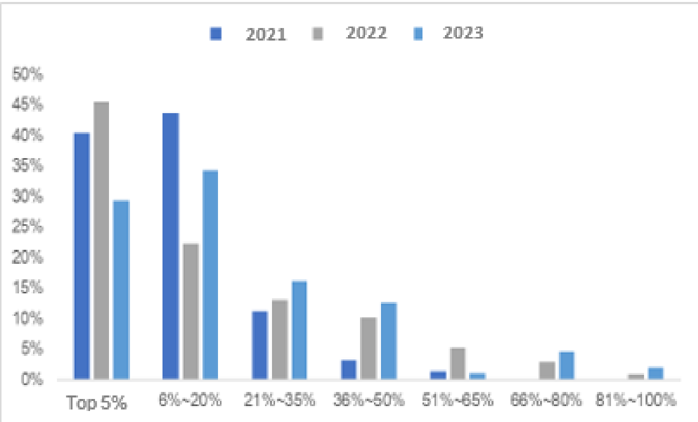
A. Non-discretionary investment [5]—Result for ESG score after review is as follows：

B. MSCI ESG Rating				Sustainalytics Risk Score			
Rating	Count	Position Hold	Percentage%	Rating	Count	Position Hold	Percentage%
AAA	14	8,425,071,546	9.53%				
AA	68	30,219,025,732	34.19%	0~9	1	66,699,747	0.08%
A	61	26,230,670,680	29.68%	10~19	53	29,863,550,999	33.79%
BBB	33	13,510,843,878	15.29%	20~29	107	41,910,545,014	47.42%
BB	11	5,556,182,893	6.29%	30~39	31	14,482,424,637	16.39%
B	0	-	0.00%	40~49	0	-	0.00%
N.A.	12	4,437,748,751	5.02%	N.A.	7	2,056,323,083	2.33%
Total	199	88,379,543,480	100.00%	Total	199	88,379,543,480	100.00%

Regarding the MSCI ESG Ratings of the Company's propriety portfolios, for example, the ESG performance of the investee companies are "average" (BB or above) compared to their peers. In particular, the ESG performance of approximately 44% of the investee companies are "leader" (AA or above) compared to their peers, which is a clear demonstration of the Company's excellent result in managing sustainability investment portfolios.

B. Discretionary investments - According to the TDCC, regarding the Company's voting results involving the investee companies, the results related to the investee companies' corporate governance ratings are the following6:

Allocation of Governance Rating



Trend for Stewardship Rating

[5] The data is from 2022/12/31 and the collection of data starts from 2022Q4.
[6] The percentage is based on proportion of listed and OTC company to overall investment.

In the Company's equity portfolios, difference in allocation of corporate governance rating classes of investee companies is mainly due to the Company making passive investment in Taiwan 50/Taiwan Dividend+ Index up to 2021 and switching to active investment with a mix of TWSE/TPEx-listed companies in the portfolio in 2022. In terms of the stewardship rating trend over the entire portfolio, the Company's score has not varied much over the years. Going forward, the Company will engage investee companies with lower ratings on corporate governance topics as needed or reduce investment in those companies as needed.

Operations of sustainability organization and principles

Taishin FHC puts a special focus on climate change topics. It became one of the founding members of the Taiwan Alliance for Net Zero Emission in 2021, and established "conscientious and sustainable green lifestyles" as the sustainability theme at its 30th anniversary in 2022. Taishin FHC calls for everyone to join the "From Zero to Hero" campaign and work to achieve sustainable development.

Regarding international initiatives, Taishin FHC has been a constituent of DSJI World and DSJI Emerging Markets by the Dow Jones Sustainability Index (DJSI) for five consecutive years and rated an AA Leader by MSCI ESG for three consecutive years. In addition, Taishin FHC received approval of the Science Based Target initiative (SBTi) for its SBTs, making it Taiwan's third financial institution to receive SBT approval. As a member of Taishin FHC, the Company has completed an inventory of SBTs, and will seek opportunities to participate in sustainable investment organizations and related activities. The Company intend to keep playing a key role as a financial institution in directing cash flows and helping businesses make the transition to sustainability.

Taishin Financial holding responds to major international climate-related action initiatives and evaluations

B. Basis of stewardship execution

The Company's investment department has the Principles for Exercising Shareholder Rights for Securities in Investment Portfolios in place and, as a general rule, will attend annual general meetings held by investee companies. However, the Company may be absent from a meeting and not vote if any one of the following criteria is met:

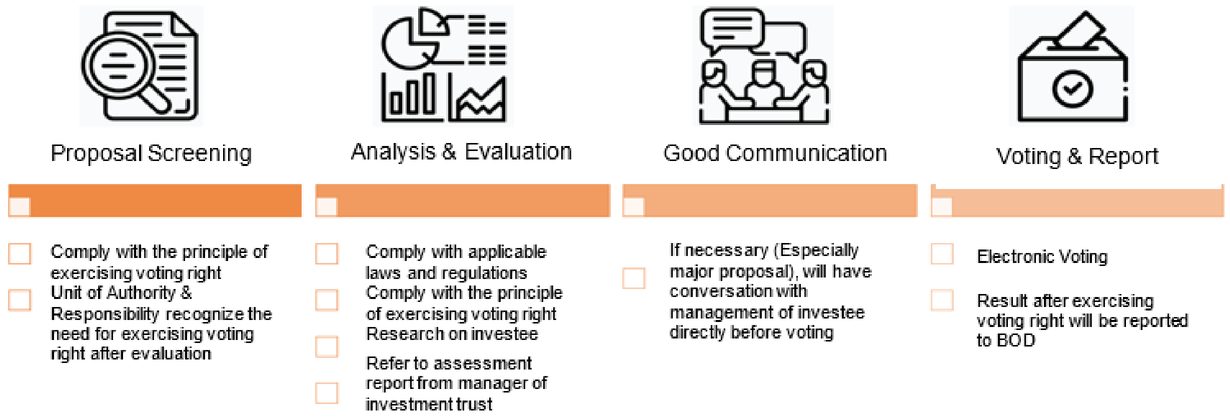
(1) The Company holds 5% or less of the investee company's outstanding shares and the cost of the stake is under NT$800 million.

(2) The investee company does not allow electronic voting.

(3) The meeting is an extraordinary general meeting and the agenda does not contain any major issue that affects any of the rights of the Company's customers and shareholders.

(4) The Company must provide detailed reasons for not attending an annual general meeting when none of the criteria above is met.

Relevant to the exercise of voting right, the process of voting is as follows:



To protect the maximum interest of its policyholders and shareholders, the Company will carefully evaluate all items on general meeting agendas, and contact and communicate with the respective management teams before the meetings when necessary. In addition to compliance with the Insurance Act and related rules and regulations, the Company is guided by corporate interest and ESG principles in exercising voting rights. Furthermore, the Company's equity investment contains only Taiwanese stocks and no foreign stocks. In addition, all related assessments are performed by internal investment teams, and the staff has full knowledge of the agendas. Therefore, the Company has not used proxy research or proxy voting.

In respect of the investee companies' management expertise and to help them grow, the Company usually supports resolutions proposed by management teams, but will not support resolutions that may hinder the investee company's sustainable development, violate corporate governance, or have a negative impact on the environment or society. Unless otherwise specified by law, the Company will not vote on a resolution involving director or supervisor election. Meanwhile, the Company will put the assessment and analysis behind each vote in writing, and evaluate whether to attend and how to exercise the voting right. A vote cannot be exercise without the approval of the head of the Investment Division. A written record of each vote will be submitted to the board of directors after the respective general meeting.

Regarding voting results on the aforesaid resolutions, the Company makes regular disclosures of voting results in each year on the company website. In particular, the voting policy covers voting in favor or against or abstention or voting in favor with condition on the investee company's resolution. Details of the rules for exercising voting rights are the following:

(1) Voting in favor: In respect of the investee companies' management expertise and to help them grow, the Company will vote in favor of resolutions proposed by management teams, given the resolutions do not affect major rights of the Company's customers and

shareholders.

(2) Voting against: The Company will vote against resolutions that may hinder the investee company's sustainable development, corporate governance, or social care or be in violation of major climate issues.

(3) Abstention: The Company will abstain from voting in the following matters regarding an investee company:

- An appointment to the investee company's director or supervisor.
- Exercise of a vote in an election of the investee company's directors or supervisors.
- An appointment of the Company's representative to the investee company's management.
- An appointment to a trust supervisor of the investee company's securitized product.
- Participation in operation of the investee company or operation or management of the investee real estate trust fund through a trust, mandate or any other contractual agreement with a third party or through agreement, authorization or any other means. Exclusion applies to settlement of the fund.

(4) Material resolution: For an investee company's dissolution, merger, acquisition, share conversion or split, capital increase/decrease, acknowledgment of business reports and financial statements and dividend distribution or loss makeup, and other material resolutions involving corporate governance, the Company will contact and communicate with the management team in advance if necessary. The Company's material resolutions and details in 2022 are as listed below.

Example of a material resolution

Year	Company	Agenda	Reason for voting in favor/against
2022	Company ABC	Private placement of securities	**The Company voted against this resolution.** In this private placement, Company ABC had contacted specific parties and made plan to bring in external investors to inject technologies and management experience in order to improve business results. However, the size of this private placement will inflate share capital by 26.2% and dilute shareholding percentages for existing shareholders in the process. The common shares in this private placement provide the same rights and obligations as Company ABC's existing outstanding common shares. The price of the common shares in this private placement should not be lower than 60% of the

			benchmark price, or it is deemed that it will affect the rights of the existing shareholders. If Company ABC intends to bring in external shareholders to improve business results, the Company suggests it could be achieved by other means. Followup: As attending shareholders voting in favor were the majority, the resolution passed. Considering the investment value had fallen, the Company has sold 100% of its stake in Company ABC.

2. Conflict of Interest Management Policy

The purpose of conflict of interest management at the Company is to ensure that the Company's person-in-charge and employees all perform their duties according to the customers' or shareholders' interest and to contribute healthy development of internal management.

To avoid different forms of conflict of interest, the Company takes the following management methods to prevent conflict of interest in order to keep the Company's employees, stakeholders, and policyholders from being exposed to potentially damaging risks.

(1) Ensuring effective training and education: All of the Company's employees comply with the parent company's Taishin Holdings Employee Code of Conduct. The Code of Conduct specifies the laws and regulations as well as the conduct standards in internal policies that employees must comply with when performing their duties. In addition, the Company has established the Integrity Code of Conduct, the Fair Customer Treatment Policies and Strategies, and the Compliance Guidelines for Investment Staff, and the rules are refined and revised on an ongoing basis.

(2) Information control: The departments in the Company should apply for system access according to the roles and responsibilities of their departments and staff and set system access after the information owners approve the applications in order to maintain information security. The departments should make applications promptly to change or delete related system access in order to reflect any change of staff. In addition, user access is set according to function of a department and assignment of tasks after the information owner approves an application. Access is granted on a need-to-know basis to maintain information confidentiality.

(3) Responsibilities and firewalls:

A. The employees of the Company should refuse any gifts or benefits that put anyone in a conflict of interest, contains a corrupt intent, or may affect independent judgment. For gifts and benefits provided to other parties in business relationships, the staff should pay attention to the value of the gifts/benefits and reasonableness of the frequency, and must not favor any specific partners, customers, suppliers, or potential customers. When an investment involves stakeholder transactions, proof that the terms of transaction are not better than those offered to the same category of investors should be presented for approval by the appropriate level of authority. For transactions not covered by the umbrella authorization by the board of directors, the aforesaid proof should be provided along with a compliance officer's statement from the head office and submitted to the board of directors as a supermajority resolution.

B. Fund utilization at the Company follows the Guidelines for Investment Transactions to allocate responsibilities, which are divided into execution unit, settlement and custodian units, and so on. Staffs of these departments are independent from each other and do not hold more than one position in order to prevent conflict of interest.

(4) Monitoring and control protocols:

A. To ensure ethical management and prevent unethical conduct and to develop a corporate culture of ethical management, the Company has established the Integrity Code of Conduct to provide general rules on potential conflict of interest. Each department makes operating procedures and code of conduct based on their roles and responsibilities and nature of their operations for the staff to follow.

B. To ensure business is conducted in line with customer commitment and shareholder rights, the Company has established the Guidelines for Non-loan Transactions with Stakeholders, and follows the parent company's Taishin Holdings Employee Code of Conduct. These guidelines states explicitly the laws and regulations that employees must comply when performing duties as well as the code of ethics regarding internal policies in order to effectively prevent and manage reputation risk and prevent conflicts of interest.

C. For fund utilization, the Company has implemented the Compliance Guidelines for Investment Staff, which provides important information on personal trading guidelines and related restrictions, in order to require and urge staff involved in domestic equity investments to fulfill integrity and due care.

In addition, the Company's Management Guidelines for Domestic Equity Investment Staff and Trading Room contains a Chinese Wall mechanism for segregation of duties and a centralized order placing system for equity products. There is a well-established investment decision making process and audit system to prevent conflict of interest and illegal conduct.

D. To improve the recusal system for conflict of interest for directors, the Company has implemented the Board Meeting Rules of Procedures. Directors should exercise a high level of self-discipline and describe key details of any interest involved in a board resolution before the resolution is put forward for discussion. In addition, directors with a conflict of interest, regardless of whether such interest is in conflict with the Company's interest, shall not join the discussion or voting process or act as an proxy for another director and shall recuse themselves from the discussion and voting process.

E. The Company is equipped with a whistleblowing system. Employees who suspect or discover violation of conflict of interest rules and regulations may use the Company's whistleblowing channel to report such violation. Reports will be investigated by an independent unit.

(5) Reasonable remuneration: The reasonable level of employee remuneration is reviewed according to the Company's business performance every year as well as market and industry averages. In addition, the Performance Management Guidelines and the Performance Bonus Distribution Guidelines are in place to distribute personal performance bonuses according to the Company's overall performance and personal performance and avoid leading managers to exceed the Company's appetite in pursuit of pay.

(6) Compensation measures: In the event of a major conflict of interest causing damage to the rights of customers and beneficiaries, the Company may respond as appropriate according to the principle of grievance redress of the Fair Customer Treatment Principles. In addition, the Company will make an announcement to explain the background of such an incident, the Company's response, and improvement to be made to customers, beneficiaries or stakeholders on the company website, by email, fax, or telephone, or in writing or any other means agreed upon by both parties. Meanwhile, employees, customers, or beneficiaries who discover a major conflict of interest can make a complaint or report through an internal/external channel (company website or email).

As of the end of 2022, Taishin Life Insurance did not incur any major conflict of interest with regard to stewardship, which demonstrated the effectiveness of the Company's conflict of interest policy.

III. Practices and Disclosure

1. Outcomes of Engagement with Investee Companies

Interaction with investee companies are made mainly through attending investor conferences held by TWSE/TPEx-listed companies, online or video conferencing calls, and visits to companies. The purpose is to gain a better understanding of the long term investment value of each investee company. Given the Company's equity investment is entirely managed through discretionary mandates, the results of discretionary investment service providers following investee companies (counting TWSE/TPEx-listed companies held by each provider, including the Company's discretionary portfolios) in 2022 are listed as follows:

Discretionary Manager A

	On-site Visit	Phone call, Video conferencing	Attend Investor Conference
No. of times	315	820	204

Discretionary Manager B

	On-site Visit	Phone call, Video conferencing	Attend Investor Conference
No. of times	144	654	558

C Other

Furthermore, the Company attended the annual general meeting by Xin Sheng Feng Investment Co., Ltd. ("XSF") via a video conferencing call in the year. The Company completed an election to fill a vacancy and was elected a new supervisor of XSF. As a new supervisor, the Company asked in the annual general meeting whether the Sheng Feng Power Plant Project, an XSF subsidiary, would complete grid connection as planned by the end of the year. The Company also demanded the management unit monitor closely the progress and quality of the project in order to protect shareholder interest.

2. Dialogue and Interaction with Investee Companies (engagement result)

Given the Company's equity positions are allocated by discretionary investing, the assessment of the need to interact or engage with investee companies will follow actual execution by the discretionary investment service providers. Taking one of the discretionary investment service providers as an example, the assessment, issue, and reason for engagement are described briefly as follows:

I. Dialogue format and interaction:
   i. The Company convenes quarterly main list meetings, during which the Company interacts with listed companies as needed to understand the companies' operational status.
   ii. The Company decides to attend or speak at annual general meetings as required by law or as needed.
   iii. Dialogue or interaction is needed to further understand the company’s situation when an opportunity arises from financial reports, when financial reports present significant operational improvement, or when the company announces a major decision (e.g., merger and acquisition, alliance, capital expenditures, etc.).
   iv. The Company engages management teams of investee companies through conference calls, company visits, and active participation in investor conferences.
   v. The Company engages in communication by sending representatives to annual or extraordinary general meetings.

II. Purpose of interaction: The Company maintains interaction with investee companies to evaluate the purpose, cost and benefits of the investment and significance of particular issues of concern based on the type of information, extent and frequency it uses in devoting attention to the investee company. Through the aforementioned methods of interaction, the Company engages in appropriate communication with the management teams of investee companies to understand their industry risks and strategies and safeguard the rights of beneficiaries.

III. Topics and scope of interaction:
   i. Business strategies.
   ii. Management team and corporate governance
   iii. Corporate culture
   iv. Separation of ownership/control or consistency issues, whether director/supervisor shareholding is too low
   v. Dividend problems
   vi. Other important information.

IV. Impacts of interaction: After interacting with investee companies, the Company will monitor whether the companies are moving in the right business direction and making improvements. For companies that failed to do so, the Company will consider selling their shares to protect investors' rights. In addition, when an investee company is potentially in serious violation of the Corporate Governance Best-Practice Principles, or may impair long term value of beneficiaries on certain issues, the management team of the investee company will be contacted for updates, and other investors with similar views may be brought in to express similar concerns so as to safeguard beneficiaries' interests.

The following is an example of engagement with an investee company:

◆ Steel Company C (time of engagement: 2022/5)

Item	Description
Reason for engagement	Steel Company C
Engagement type	Environment (E), Social (S), and governance (G) - impact of carbon taxes on business strategies
Details of engagement	Given skyrocketing prices arising from a global energy shortage caused by the Russia-Ukraine war, policies pursuing carbon neutral around the world made soft landing for practical reasons. EU CBA may be postponed. Steel Company C's policy to charge a carbon fee on export steel starting in August 2022 was put on hold until further discussion. The service provider made carbon tax inquiries to Steel Company C.
Followup and impacts	● Given the original plan of keeping carbon tax revenues in the country, Steel Company C took the responsibility for charging carbon fees, raising the cost by US$12 to US$15 per ton. The followup plan involves watching EU closely before relaunching the additional carbon fee. The service provider assessed that this action would have a limited impact on Steel Company C's revenue or profit. ● Observations showed that Steel Company C, faced with the global trend of internalizing carbon costs, investigated and took an inventory of its own carbon exposure structure in the operational stage to understand major carbon exposures. As an industry leader, it implemented more effective carbon removal and offsetting strategies to help the government create a carbon tax mechanism and assist mid- and downstream businesses to save energy and reduce carbon emissions. ● As a carbon intensive business in the country, Steel Company C has been working to move towards low carbon by branching out to provide wind power and EV materials in recent years. It also keeps developing low carbon emission

technologies and sets carbon neutral as a long term goal. Steel Company C will be watched closely on its progress in carbon reduction and contribution of the new materials business to the overall revenue.

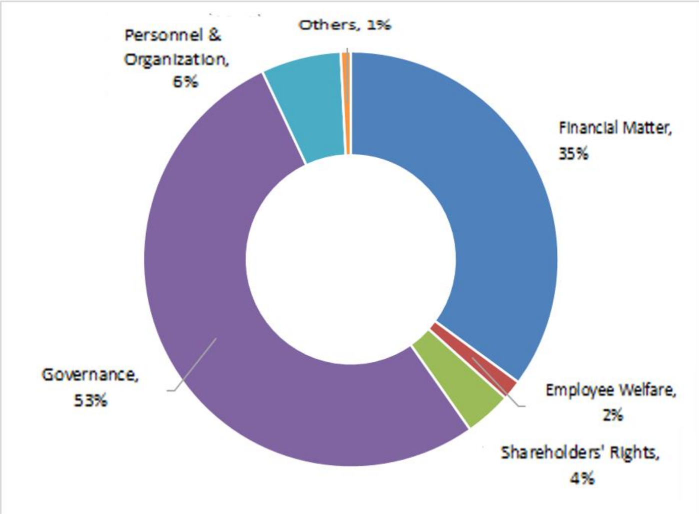
3. Disclosure of Voting Activities

The Company attended a total of 385 general meetings[7] by 68 TWSE/TPEx-listed companies, and voted electronically in 100% of the meetings it attended. In particular, most of the resolutions voted on were amendment of governance charters and finance related proposals.

Category of Proposal	Content of Proposal	Total Prop. No.	Agreed Prop. No.	Disagreed Prop. No.	Abstained Prop. No.
Financial Matter	Approval of Operating statement & Financial Report	65	65	0	0
	Surplus appropriation or loss make-up	70	70	0	0
Employee Welfare	Issuance of restricted stock awards	5	5	0	0
	Issuance of Employee stock option certificate with price lower than market	1	1	0	0
	Lower than bought back price's treasury stock transferred to employees	0	0	0	0
Shareholders' Rights	Company dissolution, mergers, acquisitions, stock swap or split	0	0	0	0
	Capital increase (Retained earnings/ capital reserves/stock bonus transferred to common stock/cash capital Increase by Issuing new shares)	9	9	0	0
	Private placements of securities	4	2	1	1
	Capital reduction/cash refunding capital reduction (Cover accumulated deficits or refund cash)	1	1	0	0
Governance	Amendment of association's articles or operating procedures	167	157	1	9
	Lift of directors' non-competition clause	36	36	0	0
	Exercising the right of disgorgement	0	0	0	0
Personnel & Organization	Election of directors & supervisors	24	0	0	0

[7] Period from 2022/1/1 to 2022/12/31.

	Dismissal of directors & supervisors	0	0	0	0
Others	Others	3	3	0	0
Total		385	349	2	10
		100%	91%	1%	3%



IV. Fulfillment of Stewardship Responsibilities

The Company follows Principle #6 of the Stewardship Principles for Institutional Investors to regularly disclose stewardship performance on the company website, including a statement of compliance with the stewardship principles, stewardship reports, and general meeting voting records, all of which can be found on the same web page and updated at least once a year. Meanwhile, this report focuses on the six principles listed in the Stewardship Principles for Institutional Investors and inspects the Company's investment management, which has been submitted to and approved by the president of the Company. The assessment shows that stewardship actions as a whole remain effective and there was no situation where any of the principles could not be observed. Follow the link below for a statement of compliance:

https://www.taishinlife.com.tw/zh-tw/page/tab/due-diligence