

# **Nan Shan Life Insurance Co., Ltd.**

## **Guidelines for Investment-Related Departments Attending Shareholders' Meetings of Investee Companies**

Established on April 11, 2012  
Amended on February 5, 2025

### **Chapter 1 General Provisions**

#### **Article 1 (Purpose and Basis)**

To provide clear guidance for the Company's investment-related departments when attending shareholders' meetings of investee companies, and to ensure that the exercise of shareholder rights aligns with the interests of the Company and its policyholders, these "Guidelines for Investment-Related Departments Attending Shareholders' Meetings of Investee Companies" (hereinafter referred to as the "Guidelines") are established with reference to the Insurance Act and relevant directives and circulars.

#### **Article 2 (Scope of Application)**

These Guidelines apply to the exercise of the Company's shareholder rights derived from its investments in the stocks of publicly listed companies, pursuant to Subparagraph 3, Paragraph 1, Article 146-1 of the Insurance Act.

### **Chapter 2 Principles and Policies**

#### **Article 3 (Principles for Exercising Shareholder Rights)**

The Company shall fulfill its fiduciary duty as a prudent manager of insurance funds. It shall not engage in equity swaps or exchanges of benefits with investee companies or third parties, through trusts, mandates, or other contractual arrangements, or by agreements, authorizations, or other methods. The Company shall prudently evaluate and exercise its shareholder rights without prejudice to the interests of its policyholders, insured parties, or beneficiaries.

#### **Article 4 (Prohibited Conduct)**

Unless otherwise provided by law or regulation, the Company is prohibited from engaging in any of the following activities with respect to investments in company stocks as defined in Article 2:

1. Having the Company or its representatives serve as directors or supervisors of the investee company.
2. Exercising voting rights in elections of directors or supervisors of the investee company.
3. Appointing personnel to serve as managerial officers of the investee company.
4. Participating in the operation of the investee company through trusts, mandates, or other contractual arrangements, or by agreements, authorizations, or other methods with third parties.

Any of the activities described in the preceding paragraph—including the Company or its representatives serving as directors or supervisors, exercising voting rights, appointing managerial officers, or entering into agreements, arrangements, or authorizations with third parties—shall be deemed invalid.

Neither the Company nor its subsidiaries shall act as proxy solicitors for the investee company, nor shall they authorize others to act as proxy solicitors on their behalf.

## Chapter 3 Evaluation and Procedures for Attending Shareholders' Meetings of Investee Companies

### Article 5 (Notification Procedures)

Upon receipt of a notice of a shareholders' meetings from an investee company, the Investment Services Department shall record the notice and notify the relevant departments.

### Article 6 (Evaluation and Analysis Procedures)

The departments responsible for evaluating and analyzing proposals for the shareholders' meeting shall conduct the assessment prior to the meeting. Except for proposals that are prohibited from voting under Subparagraph 2, Paragraph 1 of Article 4, all other proposals shall be evaluated in accordance with the following principles:

1. For each proposal, an assessment shall be conducted to determine whether it constitutes material violations of environmental, social, or corporate governance (ESG) principles or involves significant adverse climate risks. For each material proposal, an assessment shall be conducted to determine whether it significantly harms shareholder rights or the investee company's sustainable operations. If such issues are substantiated, the proposals shall be voted against.
2. Based on general investment evaluation logic and the fiduciary duty of a prudent manager, the impact of proposals from shareholders' meetings on shareholder rights shall be assessed in accordance with the following principles, and an evaluation and analysis report shall be prepared:
  - (1) For routine ratification proposals, if the content does not significantly deviate from investment research expectations, a vote in favor may be cast; if significant deviations exist, a vote against may be cast or an abstention may be recorded.
  - (2) For proposals related to capital increases or reductions, equity resolutions, or reinvestments that may directly impact shareholder rights, the Company may vote in favor, against, or abstain based on the recommendations of the evaluation and analysis.
  - (3) For proposals regarding the establishment or amendment of the articles of incorporation, policies, or procedures, the Company—based on the principle of financial investment—may support such proposals, as holding the investment implies recognition of the investee company's business strategies. However, if the evaluation identifies clear concerns or potential harm to the Company's shareholder rights, or if no definitive judgment can be made based on the available information, the Company may vote against or abstain.
  - (4) If a proposal pertains to a low-carbon transition plan, a vote in favor shall be cast.
  - (5) For other proposals not of the aforementioned attributes, the Company—based on the principle of financial investment—may support the proposal, as holding the investment implies recognition of the investee company's business strategies. However, if the evaluation identifies clear concerns or potential harm to the Company's shareholder rights, or if no definitive judgment can be made based on the available information, the Company may vote against or abstain.

The term "material proposals" in Subparagraph 1 above refers to proposals for the approval of business reports and financial statements, profit distribution or loss offset, and matters involving dissolution, mergers, acquisitions, share conversions, or stock splits.

The evaluation and analysis report referred to in Subparagraph 2 of Paragraph 1 shall, in addition to assessing and deciding on each proposal, also include the decision on whether to attend the shareholders' meeting, as well as the method of attendance.

#### Article 7 (Procedures for Exercising Shareholder Rights)

If, based on the evaluation under the preceding Article, attending the shareholders' meetings of the investee companies and exercising shareholder rights are deemed necessary, such actions shall require approval from the head of the investment department, the Chief Investment Officer, and the President. Shareholder rights may then be exercised through electronic voting, in-person attendance, or by proxy.

The recommended voting position shall be indicated on the proxy form or authorization letter for in-person attendance. If voting is conducted electronically, the recommendation shall be entered into the electronic voting platform.

Affixing seals to proxy forms or authorization letters shall be the responsibility of the Investment Services Department. For electronic voting, designated personnel from the Investment Services Department shall, based on the evaluation recommendation, use the Company's designated certificate for identity verification and log in to the electronic voting platform to complete the voting process.

#### Article 8 (Procedures for Not Exercising Shareholder Rights)

If, based on the evaluation under Article 6, attending the shareholders' meetings of the investee companies and exercising shareholder rights are deemed unnecessary, the corresponding evaluation and analysis shall be documented in writing and retained following approval by the head of the investment department.

#### Article 9 (Procedures for Reporting Voting Records)

Regardless of whether the shareholders' meetings of the investee companies were attended or voting rights were exercised, personnel of the investment department shall, after each meeting, compile written records and the actual voting outcomes. These shall be submitted to the Board of Directors in accordance with the Board's reporting schedule.

### Chapter 4 Supplementary Provisions

#### Article 10 (Document Retention Period)

Documents related to the exercise of shareholder rights under these Guidelines—including evaluation reports, approval memos, authorization letters, proxy forms, and electronic voting records—shall be retained for audit purposes for a minimum of five years.

#### Article 11 (Implementation and Amendment)

These Guidelines shall take effect upon approval by the President. The same procedure shall apply to any subsequent amendments.