

# **Cathay Life Insurance Co., Ltd. Procedures for Election of Directors and Supervisors**

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Responsible Unit: Legal Department

## **Article 1**

Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

## **Article 2**

The Company's directors and supervisors shall comply with the requirements and concurrent serving restrictions under the Regulations Governing Required Qualifications for Responsible Persons of Insurance Enterprises and related laws and regulations.

## **Article 3**

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors..
2. Professional knowledge and expertise and industry experience: professional knowledge/ability (e.g., commerce, finance/accounting, law, professional skills in finance, actuarial science/mathematics, foreign investment and risk management) and industrial experience (in banking, insurance, securities, assets management, construction/real estate, and medical treatment/health management), et al.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Ability and knowledge about risk management;

5. Crisis management ability.
6. Professional knowledge about financial insurance;
7. An international market perspective.
8. Leadership ability.
9. Decision-making ability.

Unless the competent authority otherwise grants an approval or provided by law and regulation, more than half of the directors shall be person who have neither a spousal relationship nor a familial relationship within the second degree of kinship with any other director may not exist among a majority of the Company's directors.

#### Article 4

Supervisors of the Company shall meet the following qualifications:

1. Integrity and a practical attitude.
2. Impartial judgment.
3. Professional knowledge.
4. Broad experience.
5. Ability to read financial statements.

At least one or more supervisor positions must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director.

A supervisor may not serve concurrently as the director, managerial officer, or any other employee of the Company, and at least one of the supervisor must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.

#### Article 5

The cumulative voting method shall be used for election of the Company's directors and supervisors. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.

#### Article 6

When the Company appoints independent directors pursuant to the Articles of Incorporation, the independent and non-independent directors shall be elected at the same time, but the quota of electees thereof shall be separately calculated. The professional qualifications and election

with regard to the independent directors shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and other related laws and regulations.

#### Article 7

Elections of both directors and supervisors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Articles of Incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of directors falls below the statutory quota, the Company shall hold a by-election to fill the vacancy at its latest shareholders’ meeting. When the independent directors are dismissed en masse, the Company shall call a special shareholders’ meeting within 60 days of the occurrence to hold a by-election to fill the vacancies.

When the number of supervisors falls below that prescribed in Articles of Incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

#### Article 8

The Company’s directors and supervisors calculate the rights to vote vested in independent directors, non-independent directors and supervisors respectively, subject to the quota defined by the Articles of Incorporation. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

#### Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes

shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

#### Article 10

The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

#### Article 11

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

#### Article 12

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. The total of votes allocated to the candidates as specified exceed the total votes by the ballots.
3. Other words or marks are entered in addition to the candidate's account name or ID No. and allocated votes.
4. The writing is unclear and unreadable, or altered.
5. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
6. A blank ballot is placed in the ballot box.

### Article 13

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

### Article 14

The board of directors of the Company shall issue notifications to the persons elected as directors or supervisors.

### Article 15

Where the Company is organized by a single juristic-person shareholder, the directors and supervisors shall be appointed (re-appointed) by the juristic-person shareholder free from restrictive requirement set out in Articles 5 to 14 herein.

In the circumstances referred to in the preceding paragraph, the Company may propose the needs which satisfy Articles 2 to 4 herein to the corporate shareholder based on the Company's development orientation, before the juristic-person shareholder appoints (re-appoints) the directors and supervisors.

### Article 16

These Procedures, and any amendments hereto or revocation hereof, shall be implemented after approval by a shareholders' meeting.

Where the Company is organized by a single juristic-person shareholder, the functional duties and power of the shareholders' meeting shall be exercised by its board of directors, to which the provisions herein shall not apply.