

CENTRAL REINSURANCE CORPORATION

ARTICLES OF INCORPORATION

Chapter 1 GENERAL PROVISIONS

Article 1

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Law of Republic of China with the name of 中央再保險股份有限公司 in Chinese and CENTRAL REINSURANCE CORPORATION in English.

Article 2

The Company may engage in the activity of H501031 Reinsurance Business.

Article 3

The office of the Company is located in Taipei, Taiwan, where necessary, the Company may have branches or offices established within or outside the Republic of China as approved by competent authority.

Article 4

The fund management and investment of the Company, in compliance with Insurance Law and related regulations, shall not be subject to the restriction of not exceeding 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Law.

Chapter 2 SHARES

Article 5

The total authorized capital of the Company shall be NT\$6,000,000,000 divided into 600,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

Article 6

The shares issued by the Company may be paperless and must be registered in the Securities Central Depository Business Institution.

Article 7

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of

Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

Chapter 3 SHAREHOLDERS' MEETING

Article 8

The Shareholders' Meeting of the Company consists of two categories; the Annual General and Extraordinary Meetings;

- The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
- The Extraordinary Meeting of the Company may be duly held if necessary.

Article 9

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

Article 10

A shareholder who is unable to attend a Shareholders' Meeting may appoint a proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

Article 11

Unless otherwise provided under the Company Law and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

Article 12

The shareholders of the Company shall have one voting right for each share, unless otherwise regulated under the relevant laws and regulations.

Article 13

When Shareholders' Meeting is convened by the Board of Directors, its chairman shall be processed in accordance with the provisions in Article 208 of the Company Law.

When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two or more parties with right of summons, one party will be elected from these parties.

Article 14

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Law.

Chapter 4 DIRECTORS AND MANAGERS

Article 15

The Company shall have seven to nine (7~9) Directors.

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Law. The shareholders shall elect the Directors from the list of candidates announced by the Company. The related matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all Directors of the first paragraph shall be subject to the provision established by the Securities Management Institution.

Article 16

The Directors shall be elected at the Shareholders' Meeting from competent persons in accordance with law provisions. They shall have a three-year term of office and are eligible for re-election. The Directors may, according to Article 199 of the Company Law, be discharged at any time by a resolution passed at a Shareholders' Meeting.

Article 17

There should be three (3) Independent Directors of the total number of directors as stipulated in Article 15.

Independent and non-independent directors shall be elected at the same time with respective eligible numbers.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election and any other matters as required with respect to independent directors shall be in compliance with Securities and Exchange Act and the related regulations.

Article 18

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two thirds (2/3) or more of the entire Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner.

The Chairman of the Board of Directors shall internally preside at the Meetings of Shareholders and Meetings of the Board of Directors, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Law.

Article 19

When the number of vacancies in the Board of Directors equals to one third (1/3) of the total number of Directors, the Board of Directors shall convene an Extraordinary Shareholders' Meeting for election of supplementary Directors within sixty (60) days of such occurrence in accordance with the laws. The term of office of the supplementary Directors shall be limited to make up the original term of office.

When an independent director is discharged for any reason, resulting in a shortage of number of directors required under paragraph 1 of Article 17, a by-election for independent director shall be held at the next following shareholders' meeting. When all independent directors have been discharged, the Board of Directors shall convene a shareholders' meeting for by-election within sixty (60) days of such occurrence.

Article 20

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

Article 21

The Company shall establish an audit committee according to Article 14-4 of the Securities and Exchange Act. The exercise of Audit Committee and its members' duties and authorizations and matters relating thereto, shall be in compliance with Securities and Exchange Act and the related regulations.

Article 22

The meeting of the Board of Directors of the Company shall be informed to each Director with a notice stating matters to be discussed seven (7) days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting may be convened immediately.

The notice set forth in the preceding paragraph may be served in the form of written document, e-mail or fax.

The meeting of the Board of Directors shall be attended by the Directors personally. Where a Director is unable to attend a meeting, he or she may authorize another Director to attend on his or her behalf by issuing a power of attorney specifying the notified matters and the ambit of the authorization. Each Director shall only accept one proxy.

Unless otherwise provided under the related regulations or this Articles of Incorporation, resolutions of the Board of Directors shall be adopted by the approval of a majority of the Directors in a meeting attended by a majority of all the Directors.

A meeting of the Board of Directors may be conducted through video conference, and the Directors who participate in video shall be deemed to have attended the meeting in person.

Article 23

The remuneration of the Directors is authorized to be resolved by the Board of the Directors according to their level of participation of the Company's operation and their value of contribution as well as the normal standard of the industry.

Article 24

The Company may take out liability insurance for all Directors during their terms of offices to cover their legal liability for damages arising from their performance of duties.

The Company may also indemnify within a certain amount to Director(s), who is (are) liable to pay compensation or legal expense, except for those caused by their intentional or gross negligence acts or by a suit brought in accordance with a resolution of the Shareholders' Meeting.

The so-called “a certain amount” in the preceding paragraph is authorized to be resolved by the Board of Directors according to the actual situations.

Article 25

An Audit Division is to be set up under the Board of Directors to perform internal audits with independent and objective spirit, and to report to the Board of Directors on regular basis.

A Chief Auditor shall be appointed to the Audit Division. The appointment, discharge or transfer of the Chief Auditor shall be concurred by more than two thirds (2/3) of the entire directors.

The Audit Division may have one or more auditors. The appointment of auditors shall be proposed by the Chief Auditor and approved by the Chairman of the Board of Directors.

Article 26

The company may appoint managers. Appointment, discharge and the remuneration of the managers shall be made in accordance with the provisions of Article 29 of the Company Law.

Chapter 5 ACCOUNTING

Article 27

Fiscal year of the Company falls between January 1st and December 31st of each year. Before the commencement of each fiscal year, budget and business plan shall be submitted to the Board of Directors Meeting for approval.

Article 28

After the end of each fiscal year of the Company, the Board of Directors shall prepare the following reports and submit in accordance with legal procedures for approval by the shareholders at the Annual General Meeting:

- Business report.
- Financial statements.
- Proposal for profit distribution or loss restitution.

Article 29

Any profit made by the Company for each fiscal year shall, after deduction of tax, be applied firstly towards making up any losses incurred by the Company in the previous years, secondly retaining twenty (20) percent of the balance thereof as legal reserve, then setting aside or release special reserve in accordance with regulations and adding previous retained earnings for the Board of Directors to make proposal for distribution for resolution by the Shareholders' Meeting. However, from the amount of profit to be distributed, employees' bonus shall be set at point five (0.5) percent to five (5) percent and the remuneration of the Directors shall not exceed one (1) percent thereof.

Shareholders' dividend may be distributed in cash dividend and stock dividend, with the cash dividend not less than fifty (50) percent of the total amount of distribution.

With respect to employees' bonus of paragraph 1, it may be distributed in cash or stock as resolved by the Shareholders' Meeting.

Article 29-1

Any profit made by the Company for each fiscal year shall, after deduction of tax, be applied firstly towards making up any losses incurred by the Company in the previous years, secondly retaining twenty (20) percent of the balance thereof as legal reserve, then setting aside or release special reserve in accordance with regulations and adding previous retained earnings for the Board of Directors to make surplus profit proposal for distribution for resolution by the Shareholders' Meeting.

Shareholders' dividend may be distributed in cash dividend and stock dividend, with the cash dividend not less than fifty (50) percent of the total amount of distribution.

Chapter 6 MISCELLANEOUS

Article 30

The Company may set up executing units in accordance with business needs where their rule and regulation shall be separately stipulated.

The Board of Directors may set up functional committees in accordance with regulations or business needs. Their Charters shall be made by the Board of Directors.

Article 31

Any matter not provided for by this Articles of Incorporation shall be subject to the Company Law and related regulations.

Article 32

Various operation procedures of the Company shall be separately stipulated by the President where substantial rule and regulation shall be reported to the Board of Directors for approval.

Article 33

This Articles of Incorporation entered into force from the date resolved by the Shareholders' Meeting and the same procedure shall apply when it is revised. The history is as follow:

- (1) These Articles were originally established on October 26, 1967.
- (2) The 1st to the 23rd amendments were made between January 18, 1972 and October 26, 2005.
- (3) The 24th amendment was made on June 15, 2007.
- (4) The 25th amendment was made on June 13, 2008.
- (5) The 26th amendment was made on June 18, 2010.

- (6) The 27th amendment was made on June 15, 2012.
- (7) The 28th amendment was made on June 13, 2013.
- (8) The 29th amendment was made on June 11, 2014.
- (9) The 30th amendment is made on May 27, 2016.