

# **Articles of Incorporation of TONG YANG INDUSTRY CO., LTD.**

## **Chapter 1    General Provisions**

Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act, and its name shall be 東陽實業廠股份有限公司 in the Chinese language, and TONG YANG INDUSTRY CO., LTD. in the English language.

Article 2: The scope of business of the Company shall be as follows:

- I.     Manufacture and sales of plastic products.
- II.    Manufacture and trade of various molds.
- III.   Manufacture and trade of electrical appliances, machinery, hardware, etc. (except regulatory products).
- IV.    Engagement in the import and export trade of the preceding products concerned.
- V.    ZZ99999: All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall have its head office in Tainan City, Taiwan, Republic of China, and, pursuant to a resolution adopted at the meeting of the Board of Directors, may set up, change, or close a branch office or plant within or outside the territory of the Republic of China when deemed necessary.

Article 4: The total amount of the Company's external reinvestments is not subject to 40% of the paid-in capital.

## **Chapter 2    Shares**

Article 5: The Company's total capital amount is NT\$8 billion, which is divided into three billion 800 million shares with a par value of NT\$10 each, and is allowed to authorize the Board of Directors to issue the shares in tranches as needed for business purposes.

Article 6: The Company's share certificates shall be affixed with the signatures or personal seals of the Director representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws.

Article 7: The Company may issue shares without certificates, but shall appoint a centralized securities depository enterprise to make recordation of the issue of such shares.

Article 8: The Company's shares shall be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" prescribed by the competent authority.

Article 9: Where a company processes a shareholder's application to issue replacement stocks due to splits and such split stocks do not exceed 1,000 shares, the Company may charge a handling fee at its discretion.

### **Chapter 3 Shareholders' Meeting**

Article 10: The Company's shareholders' meetings are of two kinds: annual shareholders' meeting, held once every year within six months after the end of each fiscal year, and special shareholders' meeting, held when necessary in accordance with the relevant laws and regulations. The shareholders shall be notified 30 days and 15 days prior to the date of the annual shareholders' meeting and special shareholders' meeting, respectively. The Company shall convene the shareholders' meeting in the form of video conference or other ways announced by the governing authority.

Article 11: In the event that a shareholder fails to attend a shareholders' meeting for reasons, he/she may issue the letter of entrustment printed and distributed by the Company, expressly indicating the scope of authorization, to entrust his/her proxy to attend said meeting. Unless otherwise provided in the Company Act, the way how the preceding proxy attendance authorized by said shareholder proceeds shall follow the provisions in the "Rules on Use of Letter of Entrustment for Attending Shareholders' Meeting at Public Listed Companies."

Article 12: The shareholders' meeting shall be duly chaired by the Chairman if convened by the Board of Directors. However, in the Chairman's absence or unavailability, the Vice Chairman shall chair the meeting on his/her behalf; in the event that the Vice Chairman is absent or unavailable as well, the Chairman shall, in advance, appoint a Director to act as his/her proxy, but in the event that the Chairman fails to do so, one Director shall be elected from among themselves to chair said meeting. If a shareholders' meeting is convened by an eligible person other than the Board of Directors, said person shall preside over said meeting, and if there are two or more persons eligible to do so, one shall be elected from among themselves to preside over said meeting.

Article 13: Unless otherwise specified, the shareholders of the Company shall have one vote per share held.

Article 14: Unless otherwise provided in the Company Act, resolutions at shareholders' meetings shall be made with the consent of a majority of the shareholders present, representing a majority of the total number of outstanding shares. The voting power at a shareholders' meeting may be exercised through electronic means. Attendance via electronic means is deemed to be attended in person. Related matters shall be handled subject to the relevant laws and

regulations.

Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of the foregoing minutes shall be governed by the provisions of the Company Act. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

The attendance book bearing the signatures of shareholders present at the meeting and the proxy letters shall be kept for at least one year, but If, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, they shall be retained until the conclusion of the litigation.

#### **Chapter 4     Board of Directors and Audit Committee**

Article 16: The Company shall have seven Directors elected by the shareholders' meeting from a list of Director candidates with behavioral capacity, the election of which shall adopt a candidates nomination system in accordance with the Company Act. The shareholders shall elect from the list of candidates for election as Directors, and each Director holds office for three years, and is eligible to be re-elected to serve consecutive terms. The Company may remunerate its Directors for the performance of their duties, regardless of the Company's profit or loss, in accordance with the degrees of participation and values of their contribution to the Company's operations, as determined by a meeting of the Board of Directors with reference to the usual standards in the industry. If the Company operates at a profit, the remuneration shall be distributed in accordance with Article 26 herein. The total number of registered shares held by all Directors shall be specified in accordance with the standard set by the competent authority.

Article 16-1: Three Independent Directors shall be included in the number of Directors in the preceding paragraph. The restrictions on professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the Independent Directors, and other related matters shall comply with applicable laws and regulations prescribed by the competent authority.

Article 16-2: The Company shall have an Audit Committee consisting of all Independent Directors. The exercise of the functional authorities and related matters of the Audit Committee and its

members shall be handled in accordance with the relevant provision of the Securities and Exchange Act.

Article 17: If vacancies in the Board of Directors reaches one-third of Director seats, the Board of Directors shall convene a special meeting of shareholders within 60 days to elect new Directors for the remaining term of office to be fulfilled.

Article 18: The Directors shall constitute the Board of Directors, where there shall have a Chairman and may have a Vice Chairman thereof. The Chairman and Vice Chairman shall be elected by a majority of votes in a meeting attended by over two-thirds of the Directors, and shall execute all matters of the Company in accordance with applicable laws, regulations, the Articles of Incorporation, and resolutions adopted at shareholders' meeting and by the Board of Directors.

Article 19: All business and operating policies and significant events of the Company to be executed shall be resolved by the Board of Directors.

Article 20: The Board of Directors' meetings shall be convened by the Chairman. The notices to the Board of Directors meeting may be served in writing or by means of facsimile or e-mail. The Chairman shall preside over the Board of Directors' meetings. If the Chairman is absent from office or unable to exercise his or her duties for any reason, the Vice Chairman shall act as his/her proxy. If the Vice Chairman is also absent from office or unable to exercise his or her duties for any reason, the Chairman shall designate a Director to act as his/her proxy, but If the Chairman fails to appoint a proxy, the Directors shall elect one of them from among themselves to act as proxy. When the Board of Directors meets by video conference, a Director who participates in a meeting by video is deemed to be present in person. Where a Director is unable to attend a Board of Directors' meeting for any reason, said Director may issue a proxy letter, stating therein the scope of authority with reference to the matters for convening the meeting, and appoint another Director to serve as his or her proxy. However, a proxy may only accept the appointment of one Director only. Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by at least a majority of the Directors present at a meeting attended by at least a majority of the Directors.

Article 21: The proceedings and resolutions of the Board of Directors shall be recorded into meeting minutes, signed and sealed by the chair. A copy of the meeting minutes shall be distributed to all Directors within 20 days after the meeting. A record of the proceedings and the results thereof in the meeting minutes shall be kept at the Company, together with an attendance book bearing the signatures of the Directors present and the proxy letters for attendance.

Article 22: (deleted)

Article 23: The Directors' traveling expenses shall be specified by the Board of Directors' meeting.

The Company may purchase liability insurances for the Directors of Board to protect them against potential liabilities arising from exercising their duties within their executive business scopes in accordance with the laws.

## **Chapter 5    Managerial Officers and Staff**

Article 24: The Company may have certain managerial officers, whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

## **Chapter 6    Accounting**

Article 25: Upon closing of each fiscal year, the Board of Directors shall prepare the following forms and documents and submit them to the shareholders' meeting for adoption in accordance with the statutory procedures.

(1) Business report

(2) Financial statements

(3) Proposals for profit distribution and loss offset

Article 26: If the annual profit of the Company reaches NT\$500 million (or more), the Company shall set aside NT\$5 million for employee compensation and NT\$15 million for director remuneration. If the Company has a profit of less than NT\$500 million, 1% of the profit should be appropriated as remuneration of employees, and no more than 3% of the profit should be appropriated as remuneration of directors. However, if the Company still has accumulated losses, the amount for offsetting the losses shall be retained in advance, and then the employee compensation and director remuneration shall be provided in accordance with the foregoing provisions.

If the Company has pre-tax earnings for the fiscal year after the accounts are closed, the Company shall first set aside an amount to pay any business income tax due, offset the losses of previous years, and set aside ten percent (10%) of the residual amount as the legal reserve, (however, this shall not be applicable if the amount of accumulated legal capital reserve has reached the amount of the paid-in capital) and shall, pursuant to applicable laws and regulations, set aside a portion of the after-tax earnings for its special reserve. To the extent that there is any balance of the Company's after-tax earnings remaining, the total earnings available for distribution shall consist of the remainder of

such balance and the retained earnings from the previous years. The Board of Directors may propose a profit distribution plan for approval at the shareholders' meeting. When the Company appropriates special surplus reserve according to the law, with respect to the cumulative amount of net increase in fair value of investment property from the preceding period and appropriation deficiency for net deduction in cumulative other equity from the preceding period, a special surplus reserve with an equivalent amount shall be appropriated from the cumulative undistributed earnings from the preceding period before earning distribution; when there is deficiency remains, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period that are included in the undistributed earnings of the period. With consent from the majority of attending Directors, which represents more than two-thirds of all Directors, the Company may appropriate a part or all of the dividends, bonuses, legal reserve or capital surplus to be distributed in the form of cash. In addition, the distribution proposal shall be submitted to the shareholders' meeting. The Company may appropriate distributable retained earnings as shareholders' dividends, which shall be no less than 40% of the retained earnings of that current year, and cash dividends shall account for no less than 10% of the total shareholders' dividends.

## **Chapter 7    Supplementary Provisions**

Article 27: The Company may act as a guarantor for parties external to the Company.

Article 28: (deleted)

Article 29: Any matters not covered by the Articles of Incorporation herein shall be governed by the provisions of the Company Act and other relevant laws and regulations.

Article 30: The Articles of Incorporation herein were first formulated on September 21, 1967.

The 1st amendment was made on June 1, 1976.

The 2nd amendment was made on June 20, 1976.

The 3rd amendment was made on April 10, 1980.

The 4th amendment was made on November 30, 1980.

The 5th amendment was made on December 13, 1981.

The 6th amendment was made on February 16, 1983.

The 7th amendment was made on November 27, 1983.

The 8th amendment was made on June 18, 1984.

The 9th amendment was made on August 19, 1985.

The 10th amendment was made on April 30, 1988.

The 11th amendment was made on October 20, 1989.  
The 12th amendment was made on January 10, 1990.  
The 13rd amendment was made on November 8, 1990.  
The 14th amendment was made on March 20, 1991.  
The 15th amendment was made on April 7, 1991.  
The 16th amendment was made on May 7, 1991.  
The 17th amendment was made on July 31, 1991.  
The 18th amendment was made on May 4, 1992.  
The 19th amendment was made on March 14, 1993.  
The 20th amendment was made on May 25, 1994.  
The 21st amendment was made on May 26, 1995.  
The 22nd amendment was made on June 7, 1996.  
The 23rd amendment was made on June 7, 1996.  
The 24th amendment was made on May 28, 1997.  
The 25th amendment was made on May 26, 1998.  
The 26th amendment was made on June 8, 1999.  
The 27th amendment was made on May 25, 2000.  
The 28th amendment was made on June 25, 2002.  
The 29th amendment was made on June 16, 2005.  
The 30th amendment was made on June 26, 2009.  
The 31st amendment was made on May 10, 2010.  
The 32nd amendment was made on June 27, 2012.  
The 33rd amendment was made on June 17, 2014.  
The 34th amendment was made on June 16, 2016.  
The 35th amendment was made on June 20, 2017.  
The 36th amendment was made on June 20, 2019.  
The 37th amendment was made on June 17, 2022.