

# **Articles of Incorporation,**

## **Tainan Enterprises Co., Ltd.**

### **Chapter I General Principles**

Amended on June 20, 2022

Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, and the name is 臺南企業股份有限公司 in Chinese, and TAINAN ENTERPRISES CO., LTD in English.

Article 2 The Company operates the following business:

1. C306010 Wearing Apparel
2. C307010 Clothing Accessories
3. CJ01010 Hat Manufacturing
4. CK01010 Footwear Manufacturing
5. CL01010 Umbrella Manufacturing
6. CM01010 Case and Bag Manufacturing
7. CZ99020 Zipper and Button Manufacturing
8. C305010 Printing, Dyeing, and Finishing
9. C801120 Manufacture of Man-made Fibers
10. C805060 Plastic Leathers Products Manufacturing
11. I101110 Textile Industry Consultancy
12. F401010 International Trade
13. C301010 Yarn Spinning Mills
14. C302010 Weaving of Textiles
15. F113010 Wholesale of Machinery
16. H701010 Housing and Building Development and Rental
17. F111090 Wholesale of Building Materials
18. E604010 Machinery Installation
19. CB01010 Mechanical Equipment Manufacturing
20. C303010 Non-woven Fabrics Mills
21. CF01011 Medical Devices Manufacturing
22. F108031 Wholesale of Medical Devices
23. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 When the Company offers guarantees (endorsement included) to third-parties, the Company's "Procedures for Making of Endorsements/Guarantees" shall be complied with.

Article 3 The Company locates in Tainan City; if necessary, branches may be set up in other locations upon the resolutions of the Board Meeting.

Article 4 The Company's announcement are made in the manners specified in Article 28 of the Company Act.

## Chapter II Shares

- Article 5 The Company's authorized total capital is Two Billion New Taiwan Dollars and divided into Two Hundred Million shares, at a par value of Ten New Taiwan Dollars, and the Board Meeting is authorized to issue shares in batches. Of which, One Million New Taiwan Dollars, divided into Ten Million shares a par value of Ten New Taiwan Dollars, are reserved for issuing employee share subscription warrants.
- Article 6 The issued Company's shares are exempted from printing hardcopies; however, the registration shall be made to the collective securities custody enterprises.
- Article 7 The shareholder services, including transferring shares; setting up rights and pledges; reporting loss, inheritance, gifting; reporting loss or changing seals; or changing address by any shareholders, otherwise specified by the laws and regulations of securities, the "Regulations Governing the Administration of Shareholder Services of Public Companies" shall be complied with.
- Article 8 Deleted
- Article 9 Deleted
- Article 10 Deleted
- Article 11 The book is closed from 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

## Chapter III Shareholders' Meetings

- Article 12 Shareholders' meetings are divided as regular and special shareholders' meeting. The regular shareholders' meetings are convened within six months after close of each fiscal year and the shareholders shall be notified 30 days prior to the convening date; special shareholders' meetings are convened when required pursuant to the laws and the shareholders shall be notified 15 days prior to the convening date. The notice in the preceding paragraph shall specify the meeting date, venue and cause of convention. A shareholders' meeting shall, unless otherwise provided for in this Act, be convened by the Board Meeting.
- Article 13 A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. The Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority shall be complied with.
- Article 14 If a shareholders' meeting is convened by the Board Meeting, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, one of the directors shall select from among themselves one person to serve as chair. When the meeting is convened by a person with the right of convening, the person serves as the chair; if two or more people have the right of convening, elect one of them shall serve as the chair.

Article 15 The company's shareholders' meeting may be held by video conferencing or other means announced by the central competent authority.

Article 16 Unless the Company Act provides otherwise, the resolutions of shareholders' meetings shall be adopted in the meetings attended by the majority of the total issued shares, with the approval of the majority of the attending voting rights.

According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Unless the Company Act provides otherwise, each share of stock shall be entitled for one vote.

Article 17 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 meeting minutes in the preceding paragraph may be distributed in the manner of announcement. The meeting minutes shall record the key points of the process of agenda and the results and retained in the Company with the attendance book and proxies.

## Chapter IV Directors and the Audit Committee

Article 18 The board of directors of the Company consists of seven to eleven directors; and are elected by the shareholders' meeting from among the persons with disposing capacity. The term of office is three years, and may be re-elected

Among the directors, at least three of seats, and one-fifth of them are the independent directors. The candidates nomination system is adopted for electing all directors, and elected from the list of director candidates by shareholders. The nomination method complies with Article 192-1 of the Company Act.

The Company may obtain directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

### Article 18-1

The Company establishes the Audit committee pursuant to Article 14-4 of the Securities and Exchange Act.

The provisions pertinent to supervisors in the Securities and Exchange Act, Company Act and other laws are applied to the Audit committee mutatis mutandis.

The Audit Committee shall be consisted by all independent directors. The number, term of offices and power of the Audit Committee members and the rules of procedures for the meetings, shall comply with the Audit Committee Charter that is established pursuant to the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 19 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

- Article 20 The directors form the Board Meeting and the Chairman is elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman of the Board Meeting shall internally preside the shareholders' meeting and the meeting of the board of directors and shall externally represent the Company. A vice chairman may be elected by the same means pursuant to the Articles of Incorporation. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause; where the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman.
- Article 21 When the number of vacancies in the Board Meeting of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies.
- Article 22 Board Meeting are convened every three month; unless otherwise specified in the Company Act, board meetings are convened by the chairman and directors are informed with notice specifying causes of convention; however, in case of emergency, the meeting may be convened anytime. The notice for convening board meetings may be given by means of correspondence, fax or e-mail.
- Article 23 Resolutions of the Board Meeting shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director is unable to attend due to any reason, he/she may appoint another director to attend on his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.
- Article 24 Minutes shall be taken of the proceedings of the meeting of the Board Meeting, shall be affixed with the signature or seal of the chairman of the meeting, and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The meeting minutes shall record the key points of the process of agenda and the results, and retained in the Company with the attendance book and proxies.
- Article 25 Deleted
- Article 26 Deleted
- Article 26-1 The Board Meeting is authorized to decide the remunerations to the directors based on the common level among peers.

## Chapter V. Managerial Officer and Staff

- Article 27 A company may have one or more managerial officers; the appointment, discharge, and remunerations shall comply with Article 29 of the Company Act

Article 28 Deleted

Article 29 A managerial officer shall be empowered to manage the operations of the company and to sign relevant business documents for the company, subject to the scope of his/her duties and power as specified in the Articles of Incorporation or his/her employment contract.

## Chapter VI Settlement

Article 30 At the close of each fiscal year, the Board Meeting shall prepare the following statements and records and submit such 30 days prior to the meeting date of a regular shareholders' meeting, pursuant to the statutory procedure, for the ratification in the regular shareholders' meeting.

1. the business report
2. the financial statement
3. the surplus earning distribution or loss off-setting proposals

Article 31 The Company shall distribute the profit sharing remuneration to employees at a rate of not less than 1% of the Company's profit for the year and the profit sharing remuneration to directors at a rate of not more than 5% of the Company's profit for the year. However, if there is any accumulated loss, shall be offset first.

The employee remunerations may be made in cash or shares; employees of subsidiaries meeting certain specific requirements, entitled to receive the employee remunerations.

The current year's profit in paragraph 1 refers to the current year's income before tax and before the distribution of the remuneration to employees and directors.

By a resolution adopted by a majority vote at a Board Meeting attended by two-thirds of the total number of directors, the remunerations to employees and directors may be distributed and report to the shareholders' meeting.

Article 31-1 If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital and the remainder shall be set aside or reversed as a special reserve in accordance with the law; if there is any remaining balance, it shall be set aside as distributable earnings for the current period. The accumulated undistributed earnings for the current period, together with the accumulated undistributed earnings of the previous year, is the accumulated distributable earnings. The Board Meeting shall prepare an earnings distribution and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company's dividends policy is to distribute dividends to shareholders in an amount not less than 30% of the distributable earnings for the period in accordance with the Company's current and future development plans, the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders are taken into account. The distribution of dividends to shareholders may be made in cash or in stock, with the percentage of cash dividends being no less than 10% of the total dividends.

## Chapter VII Supplementary Provisions

- Article 32 The organizational charter and details of the Company are determined by the Board Meeting separately.
- Article 33 The reinvestment amount of the Company complies with Article 13 of the Company Act, but is not subject to the limit of 40% of the paid-in capital.
- Article 34 For anything not mentioned in the Articles of Incorporation, the Company Act and other laws and regulations shall be complied with.
- Article 35 The Articles of Incorporation was established on May 7, 1960; the 1<sup>st</sup> amendment was made on July 20, 1960; the 2<sup>nd</sup> amendment was made on June 13, 1961; the 3<sup>rd</sup> amendment was made on October 1, 1961; the 4<sup>th</sup> amendment was made on January 12, 1964; the 5<sup>th</sup> amendment was made on March 19, 1967; the 6<sup>th</sup> amendment was made on July 12, 1969; the 7<sup>th</sup> amendment was made on December 22, 1972; the 8<sup>th</sup> amendment was made on June 29, 1981; the 9<sup>th</sup> amendment was made on April 23, 1982; the 10<sup>th</sup> amendment was made on May 14, 1984; the 11<sup>th</sup> amendment was made on October 9, 1985; the 12<sup>th</sup> amendment was made on June 25, 1986; the 13<sup>th</sup> amendment was made on September 29, 1988; the 14<sup>th</sup> amendment was made on August 11, 1989; the 15<sup>th</sup> amendment was made on July 25, 1990; the 16<sup>th</sup> amendment was made on May 18, 1991; the 17<sup>th</sup> amendment was made on August 16, 1991; the 18<sup>th</sup> amendment was made on February 10, 1992; the 19<sup>th</sup> amendment was made on September 2, 1992; the 20<sup>th</sup> amendment was made on December 14, 1993; the 21<sup>st</sup> amendment was made on February 14, 1994; the 22<sup>nd</sup> amendment was made on May 3, 1994; the 23<sup>rd</sup> amendment was made on June 28, 1996; the 24<sup>th</sup> amendment was made on June 23, 1997; the 25<sup>th</sup> amendment was made on December 24, 1997; the 26<sup>th</sup> amendment was made on April 18, 1998; the 27<sup>th</sup> amendment was made on May 21, 1999; the 28<sup>th</sup> amendment was made on May 12, 2000; the 29<sup>th</sup> amendment was made on April 27, 2001; the 30<sup>th</sup> amendment was made on May 3, 2002; the 31<sup>st</sup> amendment was made on May 23, 2003; the 32<sup>nd</sup> amendment was made on May 21, 2004; the 33<sup>rd</sup> amendment was made on June 9, 2006; the 34<sup>th</sup> amendment was made on June 19, 2009; the 35<sup>th</sup> amendment was made on June 18, 2010; the 36<sup>th</sup> amendment was made on June 10, 2011; the 37<sup>th</sup> amendment was made on June 28, 2012; the 38<sup>th</sup> amendment was made on March 31, 2016; the 39<sup>th</sup> amendment was made on June 26, 2017; the 40<sup>th</sup> amendment was made on June 28, 2018; the 41<sup>st</sup> amendment was made on June 24, 2019; the 42<sup>st</sup> amendment was made on June 15, 2020; the 43<sup>st</sup> amendment was made on June 20, 2022.

Tainan Enterprises Co., Ltd.

Chairman: Yang Ching-Hon