

# **TAIWAN FINANCIAL HOLDING CO., LTD.**

## **ARTICLES OF INCORPORATION**

- Adopted on 31 August 2007 by resolution of the first session of the first Board of Directors of the Taiwan Financial Holding Co., Ltd.
- Amended pursuant to Letter No. Tai-Cai-Ku Zi 09703521250 issued by the Ministry of Finance on 19 December 2008.
- Approved for recordation per Letter No. Jin-Guan-Yin-II 09700525160 issued by the Financial Supervisory Commission on 26 February 2009
- Adopted on 28 December 2012 by resolution of the 30th session of the second Board of Directors of the Taiwan Financial Holding Co., Ltd.
- Amended pursuant to Letter No. Tai-Cai-Ku Zi 10200504550 issued by the Ministry of Finance on 15 January 2013.
- Approved for recordation per Letter No. Jin-Guan-Yin-Kong Zi 10200027450 issued by the Financial Supervisory Commission on 12 March 2013
- Adopted on 27 June 2013 by resolution of the 36th session of the second Board of Directors of the Taiwan Financial Holding Co., Ltd.
- Amended pursuant to Letter No. Tai-Cai-Ku Zi 10203694060 issued by the Ministry of Finance on 19 July 2013.
- Approved for recordation per Letter No. Jin-Guan-Yin-Kong Zi 10200219120 issued by the Financial Supervisory Commission on 27 August 2013
- Adopted on 30 October 2014 by resolution of the 15th session of the third Board of Directors of the Taiwan Financial Holding Co., Ltd.
- Amended pursuant to Letter No. Tai-Cai-Ku Zi 10303764000 issued by the Ministry of Finance on 17 November 2014.
- Approved for recordation per Letter No. Jin-Guan-Yin-Kong Zi 10300334570 issued by the Financial Supervisory Commission on 1 December 2014
- Adopted on 25 June 2015 by resolution of the 23rd session of the third Board of Directors of the Taiwan Financial Holding Co., Ltd.
- Amended pursuant to Letter No. Tai-Cai-Ku Zi 10403701850 issued by the Ministry of Finance on 7 July 2015.
- Approved for recordation per Letter No. Jin-Guan-Yin-Kong Zi 10400172180 issued by the Financial Supervisory Commission on 20 July 2015
- Adopted on 25 April 2019 by resolution of the 34th session of the fourth Board of Directors of the Taiwan Financial Holding Co., Ltd.
- Adopted on 27 June 2019 by resolution of the 36th session of the fourth Board of Directors of the Taiwan Financial Holding Co., Ltd.
- Amended pursuant to Letter No. Tai-Cai-Ku Zi 10800622860 issued by the Ministry of Finance on 29 August 2019.
- Approved for recordation per Letter No. Jin-Guan-Yin-Kong Zi 1080134111 issued by the Financial Supervisory Commission on 4 October 2019.

### **CHAPTER 1 General Principles**

#### **Article 1**

It is the intent of the Taiwan Financial Holding Co., Ltd. ("TFH") to increase higher economies of scale and economies of scope and to reap the benefits of group synergy, and hereby TFH is established in accordance with the provisions of the Act of the Taiwan Financial Holding Company, the Financial Holding Company Act, and the Company Act.

#### **Article 2**

TFH shall locate its head office in Taipei City, and may establish branch offices in other appropriate locations in/outside Taiwan as the business of TFH may require.

### **CHAPTER 2 Business**

#### **Article 3**

Scope of business: H801011, financial holding company.

#### **Article 4**

The business of TFH shall be limited to management of investments and investee companies.

Investments as referred to in the preceding Paragraph shall be in compliance with and subject to the Financial Holding Company Act.

## CHAPTER 3 Shares

### Article 5

The total share capital of TFH is NTD103 billion 125 million (103,125,000,000), with 10 billion 312 million 500 thousand (10,312,500,000) shares at a par value of NTD10 each, issued in full.

Where it is necessary for TFH to increase or decrease its share capital referred to in the preceding paragraph, it may do so through a shareholders' resolution and request the Ministry of Finance for approval.

### Article 6

All share certificates of TFH shall be in inscribed form, affixed with the signature or personal seal of a director representing TFH, and issued in accordance with the law.

When issuing new shares, TFH may print a consolidated share certificate representing the total number of the new shares to be issued.

### Article 7

Dealings relating to shareholders of TFH shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" as issued by the competent authority.

## CHAPTER 4 Shareholders Meetings

### Article 8

There shall be two types of TFH shareholders meetings: annual shareholders meetings and extraordinary shareholders meetings. An annual shareholders meeting shall be convened within six (6) months after the close of each fiscal year unless otherwise approved by the competent authority upon showing of proper cause. When necessary, extraordinary shareholders meetings may be convened in accordance with the Company Act.

Unless otherwise provided by law or regulation, shareholders meetings shall be convened by the board of directors.

### Article 9

At least thirty (30) days prior to an annual shareholders meeting, and at least fifteen (15) days prior to an extraordinary shareholders meeting, notice shall be given to each shareholder entitled to attend and vote thereat. The notice shall specify the date, venue of the meeting, and the agenda and proposals to be resolved thereat.

Matters pertaining to election or discharge of directors, amendment to the Articles of Incorporation, capital reduction, application for approval to cease its status as a public company, waiver of directors' non-competition obligations, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off of TFH, or any matters as set forth in Paragraph 1, Article 185 of the Company Act or Article 26-1 and Paragraph 6, Article 43-6

of the Securities and Exchange Act shall be itemized in the notice to convene a shareholders meeting and shall not be brought up as extemporary motions.

#### Article 10

A shareholder who is unable to attend a shareholders meeting for any reason may appoint a proxy to attend on his/her behalf by executing a power of attorney proxy printed by the company, stating therein the scope of power authorized to the proxy. Except for trust enterprises or shareholders' services agents approved by the competent securities authority, when a person acts as proxy for two or more shareholders, the total number of voting shares that the proxy may vote shall not exceed three percent (3%) of the total number of voting shares of the company. The portion of the proxy's voting power in excess of 3% shall not be counted.

A shareholder may only execute one power of attorney and appoint one proxy for each shareholders meeting and shall deliver such written proxy to TFH no later than five (5) days prior to the meeting date. Where two or more written proxies are received from one shareholder, the first proxy received by TFH shall prevail, unless an explicit statement to revoke such first written proxy is made in the subsequent proxy. Other matters pertaining to the exercise and limitation of the proxy card shall be in compliance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

#### Article 11

Shareholders of TFH shall have one vote per share.

Where the government or a juristic person is a shareholder, its representative shall not be limited to one (1) person, provided that the voting right it may exercise is calculated on the basis of the total number of voting shares it holds. When there are two (2) or more representatives, the representatives shall exercise their voting rights jointly.

#### Article 12

Shareholders meetings are empowered to resolve the following matters:

1. Establishment and amendment of the Articles of Incorporation of TFH.
2. Election and discharge of directors.
3. Approval of the statements and reports prepared by the board of directors.
4. Increase and decrease in capital shares.
5. Distribution of earnings or the offsetting of deficits.
6. Other matters to be resolved in shareholders meetings as required by law.

#### Article 13

Unless otherwise provided by law, the chairperson of the board of directors shall preside at the shareholders meeting. In the event that the chairperson of the board is not present at a shareholders

meeting, he shall designate one (1) of the directors to act on his/her behalf. In the absence of such designation, the directors shall elect from among themselves an acting chairperson.

#### Article 14

Unless otherwise provided by the Financial Holding Company Act, Company Act, other laws or these Articles of Incorporation, resolutions at a shareholders meeting shall be passed by a majority vote of the shareholders present, at which at least more than half of the total number of voting shares are present.

#### Article 15

Resolutions adopted by a shareholders meeting shall be recorded in the minutes of the meeting. The minutes shall be signed or sealed by the chairperson of the meeting and distributed to each shareholder within twenty (20) days after the meeting.

For registered shareholders who hold less than one thousand shares, the distribution of the shareholders meeting minutes as required in the preceding paragraph may be effected by a public notice.

#### Article 16

Unless otherwise provided by law or these Articles of Incorporation, all matters pertaining to shareholders meetings shall be in compliance with the rules of procedure for shareholder meetings adopted by TFH.

#### Article 17

In the event TFH has only one single government shareholder or juristic-person shareholder, the functions and power of the shareholders meeting shall be exercised by the board of directors, without regard to the provisions governing the shareholders meeting set out in these Articles of Incorporation.

### Chapter 5 Board of Directors and Audit Committee

#### Article 18

The TFH board of directors shall consist of thirteen (13) to fifteen (15) directors, to be duly elected by shareholders from among persons who have legal capacity to act and who meet the qualification criteria adopted by the competent authority. A director shall serve a term of three (3) years, and may serve successive terms if reelected. In the event that no new directors are elected after expiration of the term of office for existing directors, the term of office of outgoing directors shall be extended until new directors have been elected and assumed their office.

Among the directors referred to in the preceding paragraph, the number of the directors holding foreign citizenship or dual citizenship shall not exceed two (2).

In the event all shares of TFH are held by a single government shareholder or juristic-person shareholder, the directors referred to in the first paragraph shall be appointed by such government shareholder or juristic-person shareholder.

The board of directors shall elect one (1) chairperson from among the directors by a majority vote at a meeting attended by at least two-thirds of the directors.

#### Article 19

The number of independent directors referred to in the preceding Article shall not be less than three (3) and shall not be less than one-fifth of the total number of the directors. The candidate nomination mechanism shall be adopted in accordance with the Article 192-1 of the Company Act. The shareholders shall elect the independent directors from among the nominees listed in the roster of independent director candidates.

In the event all shares of TFH are held by a single government shareholder or juristic-person shareholder, the independent directors referred to in the preceding paragraph shall be appointed by such government shareholder or juristic-person shareholder, without regard to the candidate nomination mechanism.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, manner of nomination and election, and other matters concerning independent directors shall be handled in accordance with requirements prescribed by the competent authority.

#### Article 20

The chairperson of the board of directors shall externally represent TFH and internally preside as chairperson at every shareholders meeting and meeting of the board of directors. In the event that the chairperson of the board is not presented at a meeting or cannot or will not exercise his/her power and authority for any cause, he/she shall designate one (1) of the directors to act on his/her behalf. In the absence of such designation, the directors shall elect among themselves an acting chairperson.

Resolutions adopted by the meeting of the board of directors shall be recorded into the minutes of the meeting. The minutes shall be signed or sealed by both the chairperson of the meeting and the minutes taker and distributed to each director within twenty (20) days after the meeting.

The minutes of the board of directors' meetings shall be taken in accordance with Paragraph 1 of Article 17 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

The minutes of the meeting, the attendance list bearing the signatures of the board of directors present at the meeting and the powers of attorney of the proxies shall be kept as important documents by TFH throughout the life of TFH.

#### Article 21

Directors shall attend the meeting of the board of directors in person. In the event a director is unable to attend for any reason, he/she may appoint another director in writing to attend the meeting on his/her behalf. The director shall issue a written proxy each time he/she is unable to attend and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

A proxy director referred to in the preceding paragraph may only act as a proxy for one other director.

#### Article 22

Where a board of directors meeting is conducted via video conference facilities, the directors' participation in such meeting via such facilities shall be deemed to constitute presence in person.

#### Article 23

Where TFH holds all the outstanding shares or capital shares of its subsidiary(ies), the directors and supervisors of the subsidiary shall be appointed by TFH. Directors of TFH may, as permitted by law or regulation, concurrently hold a position as a director or supervisor in the subsidiary. The functions and powers of that subsidiary's shareholders meeting shall be exercised by the board of directors.

#### Article 24

The board of directors performs the following functions:

1. Review and approval of operational strategies and business policies.
2. Review and discussion of annual budgets and year-end accounts.
3. Review and approval of major by-laws or regulations.
4. Adoption of capital plans regarding the increase and decrease of capital, and review and approval of the issuance of securities.
5. Adoption of earnings distribution plans.
6. Resolutions regarding the issuance of corporate bonds.
7. Resolutions regarding stock buybacks.
8. Review and discussion of plans for acquisition or disposal of material assets.
9. Review and approval of material contracts.
10. Appointment and dismissal of managerial officers and the chief auditor.
11. Review and discussion of plans for the construction, purchase, or sale of land or buildings used or to be used by TFH for business purposes.
12. Setting of the dates and agendas for annual shareholders meetings and extraordinary shareholders meetings.
13. Implementation of resolutions adopted by shareholders meetings.
14. Engagement or dismissal of the CPA or the remuneration given thereto.
15. Appointment of the directors and supervisors of subsidiaries of TFH.
16. Adoption of the Articles of Incorporation of TFH subsidiaries.

17. Review and approval of employees' remuneration.

18. Other duties and powers granted by the law or by shareholders meetings.

#### Article 25

The directors shall convene and hold meetings of the board of directors at least once a month. A meeting may be convened at any time if an urgent or important matter arises or a majority of the directors requests it, in which case the meeting shall be convened by the chairperson of the board of directors except as otherwise provided by law.

If the chairperson of the board of directors does not convene a board meeting within fifteen (15) days of the request by a majority of directors as described in the preceding paragraph, a majority of directors may convene a board meeting.

Except as otherwise provided by law or these Articles of Incorporation, resolutions at a board of directors meeting shall be passed by a majority vote of the directors present, at which at least more than half of the total number of directors are present.

Notification of a meeting of the board of directors may be effected by electronic means.

#### Article 26

Any director having a conflict of interest on any particular matter shall not be present at a meeting where such matter is to be discussed.

Where a director's spouse or a blood relative within the second degree of kinship, or a company that has a relationship of control or subordination with that director, is an interested party with respect to the meeting agenda item referred to in the preceding paragraph, the director shall be deemed to have a personal interest in the matter.

#### Article 27

TFH shall establish an audit committee, to be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise.

The exercise of audit committee powers, as well as other compliance requirements, shall be as required in applicable laws and regulations and in the TFH audit committee charter.

#### Article 28

TFH shall appoint one (1) general auditor to oversee internal auditing in accordance with the resolutions of the board of directors. The general auditor shall submit reports in writing to the board of directors on a regular basis.

The appointment, dismissal, or transfer of the general auditor shall require the prior consent of one-half or more of the entire membership of the audit committee and two-thirds or more of the board of directors, and shall further require the prior approval of the competent authority.

Where one-half or more of the entire membership of the audit committee does not consent to a matter as referred to in the preceding paragraph, the vote of the audit committee shall be noted in the minutes of the board of directors meeting.

## Chapter 6 Managerial Officers

### Article 29

TFH shall have one (1) president, who shall be nominated by the chairperson of the board of directors, with the approval of the board of directors, and report to the competent authority for approval. Dismissal of such president shall require the same process.

The president shall conduct business under the resolutions of the board of directors. Where the president is unable to perform his/her duties for any reason, the chairperson of the board of directors shall designate an executive vice president to perform those duties on the president's behalf, and shall report such matter to the Ministry of Finance.

The president shall act on behalf of TFH in business and shall also act as the litigious and non-litigious agent of TFH.

### Article 30

TFH shall have a number of executive vice presidents and department heads to assist the president in business. In addition, TFH shall appoint one (1) chief compliance officer for the head office to conduct the regulatory compliance affairs.

The appointment and dismissal of the aforesaid personnel shall be proposed by the president to the board of directors for approval.

## Chapter 7 Annual Accounts and Distribution of Earnings

### Article 31

The fiscal year of TFH shall run from 1 January to 31 December each year.

### Article 32

At the end of each fiscal year, the board of directors shall prepare the following statements and reports, forward them to the audit committee for its consent and to the board of directors for a resolution, and then submit them to the annual shareholders meeting for approval.:

1. The business report.
2. Financial statements.
3. Proposals regarding the distribution of earnings or the offsetting of a deficit.

Within 15 days of their approval, the statements and reports of the preceding paragraph shall be filed with the competent authority for recordation.

### Article 33



If earnings remain in any given fiscal year after closing of the annual accounts, TFH is required after paying all taxes to first offset any deficit from previous fiscal years before setting aside ten percent (10%) as statutory reserve. In addition, TFH must also set aside an additional 40% to 60% of after-tax earnings, along with the amount required by the competent authority, to the special reserve. If anything still remains after that, it shall be distributed in accordance with applicable laws and regulations, together with any cumulative undistributed earnings from previous fiscal years.

Unless and until the accumulated statutory reserve equals or exceeds the paid-in capital of TFH, the maximum cash surplus which may be allocated shall not exceed 15% of the paid-in capital of TFH.

#### Article 34

Where there are no surplus earnings, TFH shall not distribute dividends or bonuses. However, when the statutory reserve exceeds paid-in capital by 50%, the excess amount may be distributed as dividends or bonuses.

### Chapter 8 Supplementary Provisions

#### Article 35

The board of directors is authorized to separately prescribe the rules of organization and major bylaws and regulations.

#### Article 36

Matters not covered by these Articles shall be governed by the Act of the Taiwan Financial Holding Company, Administrative Law of State-Run Enterprise, Financial Holding Company Act, Company Act, Securities and Exchange Act, Insurance Act, and other applicable laws and regulations.

#### Article 37

Any amendments to these Articles of Incorporation will become effective after the adoption by the resolution of the shareholders meeting and the approval by the Ministry of Finance.

#### Article 38

These Articles of Incorporation were adopted on 31 August 2007.

The first amendment of the Articles of Incorporation was made on 19 December 2008. 20 December 2008 has been set as the implementation date for the amended provision paragraph 1, Article 5.

The second amendment of the Articles of Incorporation was made on 19 December 2008. The amended provision paragraph 1, Article 5 was implemented from 20 December 2008 following an increase of capital by TFH.

The third amendment of the Articles of Incorporation was made on 15 January 2013.

The fourth amendment of the Articles of Incorporation was made on 19 July 2013. With the exception of Article 25, which was implemented from the date of the amendment, all other amended provisions shall be implemented from the date of formation the third board of directors.

The fifth amendment of the Articles of Incorporation was made on 17 November 2014.

The sixth amendment of the Articles of Incorporation was made on 7 July 2015.

The seventh amendment of the Articles of Incorporation was made on 29 August 2019.