

# **TYC Brother Industrial Co., Ltd. Articles of Incorporation**

## **Chapter 1: General Provisions**

### Article 1

The Corporation is a company limited by shares under the Company Act with the Chinese name 堤維西交通工業股份有限公司 and English name - TYC Brother Industrial Co., Ltd.

### Article 2

The Company's nature of business is as follows:

1. Automobile and motorcycle parts (Manufacturing, processing and sales of lighting equipment, engines, car body parts, car lights, horns, electrical products, radio tape recorders, cigarette lighters, car mirrors, trims, rim covers, door handles, door locks, starter switch locks, dashboards , rear-view mirrors, vehicle detection instruments)
2. Manufacturing, processing and sales of aviation/aircraft parts and nautical/ship spare parts
3. Manufacturing, processing and sales of transportation machinery and parts
4. Manufacturing and assembly of AC/DC air compressors, vacuum cleaners, waxing machines, oil pumping units and maintenance equipment.
5. Manufacturing, processing and sales of plastic injection molding products (plastic parts for vacuum cleaners, waxing machines, air compressors and so on, as well as auto parts).
6. Import and export business of abovementioned items
7. Handling quotation, bidding and distribution of abovementioned products for domestic and foreign manufacturers (as agent)
8. All businesses not prohibited or restricted by law, except those that are subject to special approval

### Article 3

The Company is entitled to reinvest, and the total amount of reinvestment shall not be limited to no more than 40% of the Corporation's paid-up capital as provided in Article 13 of the Company Act.

### Article 4

The Company may provide endorsement and guarantee, and act as a guarantor.

#### Article 5

The Company shall establish its head office in Tainan City, Taiwan, Republic of China, and shall set up domestic and overseas branches or representative offices, subject to approval of the Board of Directors and as deemed necessary by the Company.

#### Article 6

The Company's public announcements shall be handled in accordance with Article 28 of the Company Act.

### **Chapter 2: Shares**

#### Article 7

The total capital stock of the Company is NT\$4 Billion, divided into 400,000,000 shares at NT\$10 each, and may be paid in installments. Unappropriated shares shall be set aside subject to the resolution of the Board of Directors based on actual requirements; these are partially recognized as preferred shares.

#### Article 7-1

The rights and obligations as well as other significant conditions related to the distribution of Preferred Shares may be subject to the following terms:

1. Preferred dividends are capped at an annual rate of 8% and the calculation is based on the issue price per share. The dividends can be distributed in cash once a year. After the financial report is presented at the annual Shareholders' Meeting, the Board of Directors or the chairman authorized by the Board of Directors can set the base date for payment of dividends specified in the previous year. The publication year and distribution of annual dividend reversal are based on the actual number of distribution days in a year. The publication date is defined as the capital increase base date for distribution of preferred shares.
2. The company has discretionary powers in the distribution of preferred dividends. If there is no or insufficient surplus of preferred dividends for distribution, the Company may choose not to issue preferred dividends, without the objection of preferred shareholders. The Board of Directors shall draft a surplus distribution proposal in accordance with Article 32 of the Articles of Incorporation and submit this to the shareholders for approval.

The surplus distribution proposal after approval pertains to the amount of appropriated surplus that can be distributed as preferred shares and common shares. Preferred shares are prioritized while the rest shall be handled in accordance with relevant provisions of the Company's Articles.

3. If the issued preferred shares are non-cumulative, the undistributed or under-distributed dividends shall not be accumulated and payment shall be deferred with surplus in subsequent years.
4. In addition to receiving dividends specified in the first paragraph of this Article, preferred shareholders shall not participate in the distribution of common shares connected to surplus and capital reserve as cash and appropriate capital.
5. When the company distributes new shares in cash, shareholders of preferred and common shares have equal preemptive rights.
6. In terms of the order of distribution of the Company's remaining assets preferred shareholders have the priority over common shareholders. The order of compensation is the same as that of shareholders of other preferred shares issued by the company, which are inferior to general creditors, but with a limit of no more than the distribution of preferred and outstanding shares based on the issuing price at that time.
7. Preferred shareholders are not authorized to pass resolutions and vote in elections of directors. They are entitled to attend shareholders' meetings or have the right and obligations relevant to preferred shares.
8. Preferred shares cannot be converted into common shares.
9. There is no expiry date for preferred shares. Preferred shareholders should not request for reversal of preferred shares. The Company may reverse all or part of the preferred shares at any time based on the original issue price after the five-year issuance period expires. The rights and obligations of unrecovered preferred shares shall remain based on the aforesaid conditions of issuance. If the company decides to issue dividends in the current year, these shall be calculated based on the actual number of issuance days in that year.
10. The capital reserve created through share premium shall not be recorded during the issuance period of preferred shares.

The Board of Directors is authorized to determine the name, issuance date and specific conditions of issuance of preferred shares based on capital

market conditions and investors' willingness in accordance with the company's Articles of Incorporation and relevant laws and regulations during the time of actual issuance.

#### Article 8

The Company's share certificates shall bear names along with affixed signatures and seals of directors who are the Company's representatives, and shall be issued after legal certification. There is no obligation to print share certificates for the Company. However, registration shall be made with a securities custodian.

#### Article 8-1

The stocks issued by the Company can be combined and exchanged for large-denomination stocks in response to TDCC requirements.

#### Article 9

Shareholders should report their real names and addresses to the company, and fill in the seal card and send it to the company for storage and verification. In case of lost seal, shareholders of the Company should refer to the "Guidelines for Stock Operations for Public Companies".

#### Article 10

When shareholders receive dividends from the company or exercise power, the seal stored by the Company needs to be recognized as proof.

#### Article 11

Stock transfers require endorsement to a registered shareholder of the company, as well as the real name or title of the transferee. The transferee's real name or title and address shall be recorded in the list of Company shareholders.

#### Article 12

Matters such as transfer and pledge of stock rights as well as impairment loss of shares shall be conducted in accordance with the Company Act and other general laws and regulations.

#### Article 13

When stocks are reissued or renewed due to loss or other reasons, handling fees and stamp duties shall be levied.

#### Article 14

Registration for transfer of shares shall be suspended sixty (60) days before the regular shareholders' meeting, and thirty (30) days before the date of any special shareholders' meeting, or within five (5) days before the Company's scheduled payment date of dividend,

bonus, or any other benefit.

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

#### Article 15

There are two types of Company shareholders' meetings: (1) Regular meetings and (2) Special meetings

- (1) Regular meetings: convened by the Board of Directors, within six (6) months after the close of each fiscal year and shareholders are notified at least thirty (30) days in advance
- (2) Special meetings: convened when necessary in accordance with relevant laws, rules and regulations

Shareholders' Meeting for preferred stockholders shall be convened when necessary in accordance with relevant laws, rules and regulations.

#### Article 16

Any shareholder who cannot attend a shareholders' meeting for any reason may assign a proxy, specifying the scope of authorization. He/she must affix his/her signature and seal on the proxy form, allowing the designated representative to attend the meeting on his/her behalf in accordance with Article 177 of the Company Act.

#### Article 17

The shareholders' meeting shall be presided over by the Chairman of the Company's Board of Directors. In his absence, the Vice Chairman of the Board of Directors shall act on his/her behalf. If the Vice Chairman is also absent, one of the Directors appointed by the Chairman shall preside over the Meeting. If there is no appointee, the directors shall elect among themselves one person to act as chairman.

#### Article 18

Unless otherwise regulated, each shareholder of the Company is entitled to one voting right.

#### Article 19

Unless otherwise provided in the Company Act, resolutions shall be approved by shareholders (representing the majority of voting rights) who are present at the meeting attended by shareholders representing majority of all outstanding shares.

Shareholders of the company can also exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and related matters shall be handled in accordance with the law and regulations.

## Article 20

The resolutions passed at the shareholders' meeting shall be recorded in the minutes of the meeting, which in turn shall be signed by or sealed with the chop of the Chairman. The minutes shall be distributed to all shareholders within 20 days after the meeting.

The Company may distribute the meeting minutes by means of a public announcement. The meeting minutes should accurately record the year, month, day, and place of the meeting, as well as the chairman's full name, methods by which the resolutions were adopted, and a summary of the deliberations and their results. The attendance book signed by the shareholders present at the Meeting and the proxy attendance letter shall be stored for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, these records shall be retained until the conclusion of the litigation.

## **Chapter 4: Directors**

### Article 21

The Company has 7 to 9 directors to be elected from a list of candidates by the shareholders based on a candidate nomination system. Directors serve a 3-year term and may be re-elected after their term ends.

According to the previous Article, there shall be no less than 2 independent directors and no less than one fifth of independent directors out of the total number of directors.

The professional qualifications, shareholding, restrictions on holding other positions, nomination and election processes, and other compliance issues related to independent directors shall be addressed in accordance with applicable regulations implemented by a competent securities authority.

The Company has established an Audit Committee in accordance with Article 14-4 of the Securities Transaction Act, composed of all independent directors responsible for performing their duties as supervisors in accordance with the Company Act, the Securities Transaction Act and other legislations.

### Article 22

In case of vacancies on the Board of Directors (i.e., one third of the total number of Directors), the Board of Directors shall convene a shareholders' meeting to elect new Directors in accordance with relevant laws, rules and regulations; in addition, the new Directors shall serve the remaining term of their predecessors.

### Article 23

When the term of office of a director expires before the re-election period, the executive duties of the director shall be extended until the new director takes office.

#### Article 24

The board of directors is composed of a chairman and vice chairman selected by directors from among themselves to act as the Company's representatives with the approval of the majority of directors present at the meeting attended by two-thirds of all directors. Directors shall conduct all business affairs of the Company in accordance with the law, regulations, and resolutions passed by the Board of Directors.

#### Article 24-1

Company directors who perform their duties may receive remuneration regardless of the company's operating profit or loss. The Board of Directors shall determine the directors' remuneration based on the value of involvement and contribution to company operations, not exceeding the maximum salary level according to the company's salary assessment standards. If there is a surplus, remuneration shall be disbursed in accordance with Article 32.

#### Article 25

The operating policies and other significant matters concerning the Company are resolved by the Board of Directors. The first meeting of every session shall be organized in accordance with Article 203 of the Company Act. The Chairman shall convene and preside over the Meeting. If the Chairman is unable perform his/her duties, the Vice-chairman shall act on his/her behalf, and if the Vice-chairman is also unable to perform his/her duties, the Chairman shall appoint one of the directors to act on his/her behalf. If there is no appointee, the directors shall select among themselves one person to preside over the Meeting as chair.

#### Article 25-1

To convene a board meeting, a notice shall be given to each director 7 days in advance, with the agenda specified. However, in case of emergencies, board meetings may be held at any time.

The abovementioned notice may be sent in writing, by fax or by email.

#### Article 26

Unless otherwise stipulated in the Company Act, the board meeting must be attended by more than half of the directors, with the consent of more than half of the directors present. Any director who cannot attend a board meeting for any reason may assign a proxy, specifying the scope of authorization and designating another director to attend the meeting on his/her behalf. A proxy may only represent one person.

Board meetings may be held through video conferencing. Any director participating in a meeting through video conference shall be deemed to have attended the meeting in person.

#### Article 27

The resolutions of the shareholders' meeting shall be recorded in the minutes of the meeting, which in turn shall be signed by or sealed with the chop of the chairman. The minutes shall be distributed to all shareholders within 20 days after the meeting. The meeting minutes shall include a summary of the deliberations and their results. There is also an attendance book to be signed by shareholders present at the Meeting as well as a proxy attendance letter to be kept by the company.

#### Article 28 Deleted

#### Article 28-1 Deleted

### **Chapter 5: Manager and Employee**

#### Article 29

The appointment, dismissal, and remuneration of Company managers shall be handled according to Article 29 of the Company Act.

#### Article 30 Deleted

### **Chapter 6: Accounting**

#### Article 31

The company's fiscal year is set from January 1 to December 31. The Board of Directors shall compile the following statements upon completion of each accounting year and submit these to the Audit Committee for verification 30 days before the general meeting of shareholders or the Audit Committee shall entrust the verification to an accountant and submit a report to the shareholders for approval.

1. Business reports
2. Financial statements
3. Surplus distribution or loss-offset proposals

#### Article 32

If the Company generates profit in a year, no less than 1% shall be set aside for employee compensation and no more than 3% for directors' compensation. However, if the Company incurs losses, the amount of compensation shall first be provided.

#### Article 32-1



The industrial environment where the company belongs to is changing rapidly and the company is in its growth stage due to capital expenditure requirements and comprehensive financial planning, in order to achieve sustainable operations. If the Company after annual closing needs to use its net profit to compensate for losses in previous years besides paying the income tax in accordance with the law, then 10% of the amount shall be allocated as legal reserve, while the special reserve shall be provided and reversed based on an impairment loss of shareholders' equity for the year and accumulated in the previous year in accordance with regulations. The special reserve in addition to the aggregated undistributed profit in the beginning of the period is allocated as shareholders' dividends, while the rest shall be used for preferred and common stock dividends in accordance with Article 7-1 of the Company's Article of Incorporation. A proposal for the distribution of common stock dividends to shareholders (not less than 50% of distributable surplus for the year, and cash dividends not less than 10% of the total dividends) is prepared by the Board of Directors and submitted to the shareholders for resolution.

## **Chapter 7: Supplementary Provisions**

### Article 33

The internal organization of the Company and detailed procedures of business operations shall be determined by the Board of Directors.

### Article 34

With regard to matters not provided in the Articles of Incorporation, the Company Act and relevant laws and regulations shall apply.

### Article 35

The Articles of Incorporation were set up on July 16, 1986.

The 1st amendment was made on August 25, 1986.

The 2nd amendment was made on November 8, 1986.

The 3rd amendment was made on October 22, 1987.

The 4th amendment was made on June 20, 1988.

The 5th amendment was made on November 14, 1988.

The 6th amendment was made on February 22, 1989.

The 7th amendment was made on October 16, 1989.

The 8th amendment was made on November 11, 1989.

The 9th amendment was made on January 10, 1990.

The 10th amendment was made on June 23, 1993.

The 11th amendment was made on June 9, 1994.

The 12th amendment was made on May 30, 1995.

The 13th amendment was made on May 30, 1996.

The 14th amendment was made on April 26, 1997.

The 15th amendment was made on April 21, 1998.

The 16th amendment was made on May 20, 1999.

The 17th amendment was made on May 24, 2000.

The 18th amendment was made on May 28, 2002.

The 19th amendment was made on June 16, 2005.

The 20th amendment was made on June 21, 2006.

The 21st amendment was made on June 19, 2009.

The 22nd amendment was made on June 21, 2012.

The 23rd amendment was made on June 17, 2014.

The 24th amendment was made on June 17, 2015.

The 25th amendment was made on June 17, 2016.

The 26th amendment was made on June 22, 2017.

The 26th amendment was made on June 21, 2018.

The 25th amendment was made on June 19, 2020.