

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Articles of Incorporation

Chapter 1 General Provisions

Article 1 The Company is incorporated in accordance with the regulations for companies limited by shares specified in the Company Act, and shall have the name of “永記造漆工業股份有限公司” in Chinese and “YUNG CHI PAINT & VARNISH MFG. CO., LTD” in English.

Article 2 The Company mainly engages in the following business:

- I C802200 Coating, Paint, Dye and Pigment Manufacturing;
- II C802120 Industrial and Additive Manufacturing;
- III C801100 Synthetic Resin and Plastic Manufacturing;
- IV C901060 Manufacture of Refractory Products;
- V C901050 Cement and Concrete Products Manufacturing;
- VI C802990 Other Chemical Products Manufacturing;
- VII C801990 Other Chemical Materials Manufacturing;
- VIII C901990 Other Other Non-Metallic Mineral Products Manufacturing;
- IX CA02060 Metal Containers Manufacturing;
- X CA04010 Surface Treatments;
- XI E901010 Painting Engineering;
- XII E903010 Anti-Corrosion and Anti-Rust Engineering;
- XIII E603120 Sand Blasting Engineering;
- XIV EZ99990 Other Engineering;
- XV H701010 Housing and Building Development and Rental
- XVI ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company’s reinvestment amount may exceed 40% of its paid-in capital, and the Company may make endorsement and guarantee for others if an approval from the Board of Directors is obtained.

Article 3 The Company shall have its head office in Kaohsiung City, Taiwan, Republic of China, and shall be free to set up representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Board of Directors deems it necessary.

Article 4 The Company’s announcement methods are in accordance with Article 28 of the Company Act.

Chapter 2 shares

Article 5 The total capital stock of the Company shall be in the amount of 1,800,000,000 New Taiwan Dollars, divided into 180,000,000 shares, at ten New Taiwan Dollars each; unissued shares may be issued in installments if the Board of Directors deems it a business requirement.

Article 6 Shares issued by the Company need not take the form of printed share certificates; however, the Company shall register the issued shares with a centralized securities depository enterprise.

Article 7 Shareholders shall register their name and residence with the Company, and shall fill in the signature card and deposit it with the Company. No dividend or bonus may be claimed, or communication in writing with the Company or replacement of the signature card may be made without the specimen chop specified on the signature card.

Article 8 The Company Act and the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority shall apply to the handling of any scenarios in which the Company’s shares are transferred, lost, or destroyed.

Article 9 Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of the General Shareholders Meeting, thirty (30) days immediately before the date of any extraordinary shareholders meeting, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 9-1 Matters concerning the Company’s shares shall be handled in accordance with the regulations of the competent authority.

Chapter 3 Shareholders’ meeting

Article 10 Shareholders’ meetings of the Company are of two types, namely: (1) general shareholders meetings and (2) extraordinary shareholders meetings. General shareholders meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year by giving a meeting notice to shareholders at least 30 days before the intended meeting date. Extraordinary shareholders meetings may be held whenever necessary. Shareholders shall be notified of the convening of a shareholders meeting at least 15 days before the intended meeting date; the notice or announcement must specify the meeting date, place, and subject matters.

The Company’s shareholders meetings may be held by videoconferencing or other means announced by the competent authority of the central government. If the criteria for holding a videoconference, operating procedures for holding a videoconference, or other compliance matters involving a videoconference are specified otherwise in any regulation of the competent authority, the competent authority’s regulation shall prevail.

Article 11 A shareholder failing to attend the shareholders meeting for any reason may pursuant to Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act designate proxy to attend the meeting on his/her behalf by signing, and affixing his/her specimen chop on, a proxy form specifying thereon the extent of authorization. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

Article 12 The Chairperson shall chair the shareholders meeting. If the Chairperson cannot attend the meeting for any reason, the Vice Chairperson or other directors shall act as an acting chair in accordance with Article 19 herein.

Article 13 Unless the law specifies otherwise, the Company's shareholders shall be entitled to one vote for each shares in their possession.

Article 14 Resolutions at a shareholders meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares, unless the Company Act provides otherwise.

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 thereof distributed to each shareholder within 20 days after the conclusion of the meeting.

The meeting minutes mentioned in the previous paragraph shall be distributed in accordance with Article 183 of the Company Act.

Article 15 Shareholders holding more than 3% of total issued shares for more than 1 year may, by submitting suggestions and the underlying reasons in writing, request that the Board of Directors hold an extraordinary shareholders meeting within 15 days after the request is made; if the Board of Directors fails to issue a meeting notice, shareholders may hold the meeting by themselves, subject to an approval from the competent authority.

Shareholders holding more than half of total issued shares for more than three months may hold an extraordinary shareholders meeting as they wish.

Chapter 4 Directors and the Audit Committee

Article 16 The Company shall have 7 directors, who shall serve an office term of 3 years and are eligible for re-election.

When electing directors at a shareholders meeting, one share shall be entitled to the number of votes equal to the number of directors; such votes may be cast in full in favor of a single candidate, or in part in favor of several candidates. The person winning the most votes shall be the director. Of the number of directors to be elected for each term as specified in Paragraph 1, the number of independent directors shall be at least three, and shall not be less than one fifth of total directors to be elected. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be in accordance with the Securities and Exchange Act. The Company's directors shall be elected based on the candidate nomination system, by which shareholders elect directors from among the candidates on the candidate list.

Independent directors and non-independent directors shall be nominated separately and elected at the same time, with the votes therefor being counted separately.

Article 16-1 The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors. Matters regarding the Audit Committee and the exercise of the powers and duties of the committee members shall be handled in accordance with the Securities and Exchange Act.

Article 17 When the office term of directors and independent directors are about to expire and there is no sufficient time for an election, their office term shall be extended to the date when newly elected directors and independent directors take office.

If a seat on the Board of Director is vacant due to the dismissal of an independent director for any reason, an election to fill such vacancy shall be held in the nearest shareholders' meeting. If the seats on the Board of Directors are vacant by one third or more, or if all independent directors are discharged, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days to hold an election to fill such vacancy; however, the directors/independent directors so elected shall have an office term that expires on the date when the office term of the original directors/independent directors expires.

Article 18 Directors shall assemble the Board of Directors, and shall elect a Chairperson and a Vice Chairperson from among them by a majority vote at a Board of Directors meeting attended by two thirds or more of all directors. The Chairperson shall represent the Company, and shall execute all matters relating to the Company in accordance with laws and regulations, internal regulations, and resolutions adopted at the Shareholders Meeting and the Board of Directors meeting.

Article 19 When the Chairperson is on leave or not able to exercise powers for any reason, the Vice Chairperson shall act as the acting chairperson. If the Vice Chairperson is also not able to exercise powers for any reason, the Chairperson shall designate a director to be the acting chairperson. If the Chairperson does not designate an acting chairperson, the directors shall elect such an acting chairperson from among themselves.

Article 20 Deleted.

Article 21 Deleted.

Article 22 The Company's business policy and other important matters shall be determined by the Board of Directors. A Board of Directors meeting shall be convened and chaired by the Chairperson, except the first meeting of each Board of Directors, which shall be convened by the director winning the most votes in the election. If the Chairperson fails to exercise powers, such powers may be exercised by the Vice Chairperson or other directors in the manner specified in Article 19 herein.

Article 23 Except the Company Act provides otherwise, a resolution may be adopted only at a Board of Directors meeting attended by more than half of all directors. A director failing to attend a meeting for any reason may designate another director to attend the meeting on his/her behalf by giving such a director a proxy form specifying thereon the extent of authorization with respect to the reasons for convening the meeting. However, the number of persons one proxy is allowed to represent is limited to 1. Resolutions may be adopted by a majority vote of the directors present; resolutions so adopted shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair and directors present and a copy distributed to each director within 20 days after the conclusion of the meeting. The meeting minutes shall record the essentials of the proceedings and the results, and shall be retained in the Company along with the attendance

book on which directors signed and the proxy forms.

Article 23-1 Where a Board of Directors meeting is convened by videoconference, directors attending the meeting by videoconference shall be deemed to have attended the meeting in person.

Article 24 Deleted.

Chapter 5 Manager

Article 25 The Company may have managers; their appointment and dismissal shall be handled in accordance with Article 29 of the Company Act.

Article 26 Remuneration for managers shall be determined by a majority vote at the Board of Directors meeting.

Chapter 6 Accounting

Article 27 December shall be the Company's account closing period. By the end of the fiscal year, the Board of Directors shall prepare the following books and statements, and shall submit them to the Audit Committee for review at least 30 days before the General Shareholders Meeting. The Audit Committee shall then issue a review report accordingly. Such books and statements and the Audit Committee Review Report shall be made available, both in the Company at least 10 days before the meeting for shareholders or their lawyers or accountants to consult, and at the meeting premises for the approval by the Shareholders Meeting.

I. Business Report

II. Financial Statements

III. Earnings Distribution Proposal or Loss Make-up Proposal

After the said books and statements are approved by the Shareholders Meeting, a copy thereof shall be distributed by the Board of Directors to each shareholder.

Article 28 If the Company has profit in the fiscal year, 1%~5% of the profit shall be offered as employee remuneration, and no more than 0.5% of the profit shall be allocated as directors' remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses. The amount and manner of distribution of employee remuneration and directors' remuneration shall be determined through a resolution adopted by a majority vote at a Board of Directors meeting attended by two thirds or more of directors, and shall be reported to the Shareholders Meeting. Directors' remuneration shall be proposed by the Remuneration Committee and submitted to Board of Directors for approval.

The "profit in the fiscal year" referred to in Paragraph 1 means the pre-tax profit inclusive of employee remuneration and directors' remuneration.

Article 28-1 If the Company has earnings in the final account, such earnings shall be used first to pay income tax and second to make up for previous deficits; thirdly, 10 percent of the remainder, if any, shall be provided as legal reserve. Any remainder shall be used to provide special reserves according to business or legal requirements. The remainder earnings, if any, along with the undistributed earnings at the beginning of the period, shall be used by the Board of Directors to draft the Earnings Distribution Proposal, which shall then be submitted to the

Shareholders Meeting for approval, thus distribution. The Company is a coating manufacturing company which is at the “maturity” stage of the business life cycle. Considering capital expenditure needs and a sound financial planning requisite for sustainable development, the Company shall distribute no less than 50% of the annual earnings as shareholder dividends in principle. The Company may distribute dividends in cash or in shares. Considering the Company’s growth rate and capital expenditure status, the Company shall distribute earnings more in cash than in shares; the cash dividends distributed shall not be less than 60% of total dividends distributed in the given year.

Chapter 7 Supplementary provisions

Article 29 Matters not provided in this Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 30 The Company’s organizational charters and other detailed operating procedures shall be determined by the Board of Directors through a resolution.

Article 31 The Articles of Incorporation were formulated on May 1, 1957

The 1st amendment was made on February 26, 1963

The 3rd amendment was made on September 1, 1967

The 5th amendment was made on February 20, 1974

The 7th amendment was made on November 7, 1976

The 9th amendment was made on September 10, 1979

The 11th amendment was made on May 3, 1985

The 13th amendment was made on May 10, 1987

The 15th amendment was made on November 15, 1989

The 17th amendment was made on November 23, 1992

The 19th amendment was made on December 24, 1993

The 21st amendment was made on June 24, 1995

The 23rd amendment was made on June 12, 1997

The 25th amendment was made on June 11, 1999

The 27th amendment was made on June 9, 2001

The 29th amendment was made on June 20, 2003

The 31st amendment was made on June 16, 2006

The 33rd amendment was made on June 20, 2008

The 35th amendment was made on June 29, 2012

The 37th amendment was made on June 12, 2015

The 39th amendment was made on June 28, 2019

The 41st amendment was made on June 22, 2022

The 2nd amendment was made on May 11, 1967

The 4th amendment was made on April 20, 1970

The 6th amendment was made on November 22, 1975

The 8th amendment was made on June 12, 1978

The 10th amendment was made on June 10, 1981

The 12th amendment was made on February 24, 1986

The 14th amendment was made on November 6, 1988

The 16th amendment was made on April 12, 1992

The 18th amendment was made on June 19, 1993

The 20th amendment was made on August 19, 1994

The 22nd amendment was made on June 22, 1996

The 24th amendment was made on March 27, 1998

The 26th amendment was made on June 9, 2000

The 28th amendment was made on June 7, 2002

The 30th amendment was made on June 10, 2005

The 32nd amendment was made on June 22, 2007

The 34th amendment was made on June 18, 2010

The 36th amendment was made on June 16, 2014

The 38th amendment was made on June 30, 2016

The 40th amendment was made on June 20, 2020

The 42nd amendment was made on June 19, 2023