

# **Cheng Shin Rubber Ind. Co., LTD.**

## **Articles of Incorporation**

### **Section I**

#### **General Provisions**

##### **Article 1**

The name of the company is CHENG SHIN RUBBER IND. CO., LTD. (正新橡膠工業股份有限公司) (the “Company”), which is duly organized as a company limited by shares under the Company Act of Taiwan.

##### **Article 2**

The business to be operated by the Company is as follows:

1. C801990 Manufacturing of other chemical materials
2. C802160 Manufacturing of sticky tapes
3. C804010 Manufacturing of tires
4. C804020 Manufacturing of industrial rubber products
5. C804990 Manufacturing of other rubber products
6. CB01010 Manufacturing of machinery and equipment
7. F112040 Wholesale of Petrochemical Fuel Products
8. F212050 Retail of petroleum products
9. F401010 International trade
10. ZZ99999 All business not prohibited or restricted by law, except for those subject to special approval

##### **Article 3**

The total amount of investments by the Company may exceed forty percent of the paid-in capital of the Company.

##### **Article 4**

The headquarters of the Company is located in Changhua County, Taiwan. The Company may establish branches or subsidiaries in Taiwan or overseas as the Company may require upon resolution by the board of directors of the Company (“Board or “Board of Directors”).

##### **Article 5**

The Company may act as a guarantor for companies in the same industry.

## **Section II**

### **Shares**

#### **Article 6**

The registered capital of the Company shall be thirty two billion four hundred fourteen million one hundred fifty five thousand three hundred sixty New Taiwan Dollars (NT\$32,414,155,360), divided into three billion two hundred forty one million four hundred fifteen thousand five hundred thirty six (3,241,415,536) shares, with a par value of ten New Taiwan Dollars (NT\$10) per share, which are fully issued.

#### **Article 7**

The Company's shares may be exempted from printing any share certificate for the shares issued, and shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

#### **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**

Registration for the transfer of shares shall be completed sixty (60) days before the date of each annual meeting, thirty (30) days before the date of each special meeting, or five (5) days before the date on which dividends, bonus, or any other distributions will be paid or made by the Company.

## **Section III**

### **Shareholders' Meeting**

#### **Article 10**

There are two types of shareholders' meeting of the Company, the annual meeting and special meeting.

Annual meetings shall be convened by the Board of Directors annually within six (6) months after the end of each fiscal year.

Special meetings shall be convened as required in accordance with applicable laws and regulations.

#### **Article 11**

Notice shall be given to the shareholders by mail or electronic transmission at least thirty (30) days prior to an annual meeting, and at least fifteen (15) days prior to a special meeting, stating the date, place, and purpose of the meeting. Notice to shareholders holding less than a thousand (1,000) shares may be given by public announcement.

#### **Article 11-1**

A shareholder holding one percent or more of the total issued and outstanding shares may submit a proposal in writing to be discussed at the annual meeting, provided that only one matter may be included in such proposal. Any proposal that includes more than one matter shall be disregarded and excluded from the meeting agenda. The relevant process shall comply with the Company Act and all applicable laws and regulations.

#### **Article 12**

A shareholder who is unable to attend the shareholders' meeting may authorize another person to attend as proxy using the form provided by the Company affixed with the seal that such shareholder left in the Company's safekeeping, which sets forth the scope of the authorization. The proxy process is governed by Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" prescribed by the competent authority.

#### **Article 13**

The shareholders' meetings shall be presided by the Chairman of the Board. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the chairperson of the meetings shall be appointed pursuant to Article 208 of the Company Act. If the meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting; if there are more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them.

#### **Article 14**

Except as otherwise provided by applicable law, the shareholders' resolutions shall be adopted upon the approval of a majority of the voting shares present at the meeting, which is attended by holders of a majority of the total issued and outstanding shares of the Company.

The shareholders may exercise their voting rights by mail or electronic transmission in accordance with the applicable laws and regulations. The notice of the shareholders' meeting shall specify the instructions for voting by mail or electronic transmission.

## **Article 15**

Except for the shares with restricted voting right or without voting rights under the Company Act, each share of the Company is entitled to one vote.

A shareholder who exercises his voting rights by mail or electronic transmission will be deemed to have waived his rights to vote on any ad hoc motions and amendments to the original proposals at such meeting.

## **Article 16**

The resolutions adopted at the shareholders' meeting shall be made into minutes, which shall be signed by or affixed with seal of the chairperson of the meeting and distributed to all shareholders within 20 days after the meeting. The distribution of the meeting minutes shall comply with Article 183 of the Company Act.

Minutes of the meeting shall include the date and place of the meeting, the name of the chairperson at the meeting, the method for adopting the resolutions, and summary and results of the proceedings. Minutes of the meetings shall be kept for as long as the Company is in existence.

The attendance register and proxy forms shall be kept for at least one year; provided, however, records concerning an action initiated by a shareholder pursuant to Article 189 of the Company Act shall be kept until the conclusion of the lawsuit.

## **Section IV Board of Directors**

## **Article 17**

Subject to Article 26-3 of the Securities and Exchange Act, the Company shall have nine to eleven directors, with adoption of a candidates nomination system, the directors shall be elected from the nominees listed in the roster of director candidates at the shareholders' meeting and hold office for three years; re-elected directors may serve consecutive terms.

There shall be at least three independent directors among the number of directors to be elected referred to in the preceding paragraph, and the independent directors shall represent at least one-fifth of the Board. 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.

The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately. The directors shall comply with the rules of the securities regulatory authorities concerning minimum share ownership.

## **Article 18**

The Chairman of the Board shall be elected from among the directors, and the Vice Chairman may be elected in the same manner. The Chairman of the Board shall have the authority to represent the Company and preside at the shareholders' meeting and Board meeting of the Company.

## **Article 19**

The Board of Directors shall have the following powers and duties:

1. Review and adopt material rules of the Company;
2. Decide on the business directions of the Company;
3. Approve budgets and financial statements;
4. Submit proposals regarding distribution of profits;
5. Submit proposals regarding capital increase or reduction;
6. Sale and purchase and investment of real property;
7. Appoint and remove key management of the Company;
8. Guarantee for companies in the same industry;
9. Decide on adjustment of the organizational structure and other important matters of the Company;
10. Prepare and review annual and quarterly financial statements; and
11. Other powers and duties conferred by the Company Act or by the shareholders at the shareholders' meeting.
12. According to the Company Act, actions taken under the aforementioned powers and duties of the Board shall be reported to or approved by the shareholders at shareholders' meeting whenever necessary.

## **Article 20**

In case that the vacancies in the office of directors reach one-third of the Board or if all independent directors have been dismissed, the Board of Directors shall convene a special meeting of the shareholders within sixty (60) days to elect new directors to fill the vacancies. A director elected to fill such vacancy shall hold office for the unexpired term of the director whose office was vacant.

## **Article 21**

The meeting of the Board of Directors shall be held at least once every quarter and may be called in case of emergency or upon the request of more than one-half of the directors. The meeting of the Board of Directors shall be convened by delivery of a notice to each director via mail, email, or fax.

**Article 22**

The Chairman of the Board shall preside at all meetings of the Board of Directors. If the Chairman of the Board is on leave or cannot exercise his powers and duties for any reason, a chairperson shall be appointed pursuant to Article 208 of the Company Act.

**Article 23**

The directors shall attend all meetings of the Board of Directors in person. If a director is unable to attend the meeting due to special circumstances, such director may appoint another director as his proxy. If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person. A director who appoints another director as his proxy to attend the meeting shall fill out a proxy form setting forth the scope of authorization with respect to the matters to be discussed at such meeting. A director may only be appointed as a proxy by one other director. A director who resides overseas may, in writing, appoint a shareholder residing in Taiwan as his proxy to regularly attend the meetings of the Board of Directors.

**Article 24**

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 holding office.

Minutes of the Board meetings shall be signed by or affixed with seals of the chairperson and the secretary for the meeting. A copy of the minutes shall be distributed to each director within 20 days after the meeting and shall be classified as important company records and properly maintained for as long as the Company is in existence.

The preparation and distribution of the meeting minutes specified in paragraph 1 may be done through electronic means.

**Article 24-1**

The Board of Directors is authorized to determine the compensation of the directors by referencing the standards within the industry; provided, however, independent directors shall not participate in the distribution of earnings as set forth in Article 34-1 herein.

**Article 25**

The Company may purchase liability insurance for the directors during their tenures, which shall cover the directors' liabilities arising from the performance of their duties.

## **Section V**

### **Audit Committee**

#### **Article 26**

The Company establishes the Audit Committee in accordance with relevant laws. The Audit Committee consists of all the Independent Directors, and the number of committee members shall be 3 persons or more. Among the committee members, one should be the convener, and there should be at least 1 person with accounting or financial expertise.

The number of Audit Committee members, their term, duties, meeting rules and the resources to be provided when exercising their duties shall be regulated by the organizational rules of the Audit Committee.

#### **Article 27**

The Company establishes the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The duties of the Supervisors provided under the Company Act, the Securities and Exchange Act and other relevant laws shall become duties of the Audit Committee.

#### **Article 28**

The Company's Board of Directors may establish all types of functional committees. The functional committee of each type shall, in accordance with the regulations provided by the competent authority, enact the rules governing the exercise of its duties. These rules shall be effective upon the resolution adopted by the Board of Directors' meeting.

## **Section VI**

### **Managerial Personnel and Employees**

#### **Article 29**

The Company may have one or more managers. The managers shall manage all the Company's businesses in accordance with the decisions adopted by the Company's Board of Directors' meeting.

The engagement, discharge and remuneration of the managers shall be adopted by at least a majority of the Directors present at a meeting attended by at least a majority of the Directors holding office.

#### **Article 30**

The general manager shall have the power of general supervision on the business and operations of the Company, subject, however, to the directions of the Board of Directors. In the event that the general manager is unable to carry out his duties, the vice president(s) shall assume such duties of the general manager.

**Article 31**

The Company's organizational structure, headcounts and employment of employees at all job levels shall be determined by the Board of Directors.

**Section VII**  
**Accounting****Article 32**

The fiscal year of the Company shall begin on January 1 and end on December 31 of each year. At the end of the fiscal year, the accounts of the Company shall be closed.

**Article 33**

After the end of each fiscal year, the Board of Directors shall prepare the reports provided under Article 228 of the Company Act and submit such reports to the annual general meeting for ratification.

**Article 34**

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, 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 year. The Board of Directors may propose a profit distribution plan for approval at the shareholders' meeting.

The dividends to the shareholders under such plan shall be ten to eighty percent (10-80%) of the total distributable earnings, from which the cash dividends shall not be lower than ten percent (10%) of the total dividends declared.

**Article 34-1**

To the extent that the Company has profit in the year, the Company shall set aside at least 2% of such profit as employee dividends and no more than 3% of such profit as director dividends, provided that the Company shall first offset the cumulative losses, if any.

Employee dividends shall be distributed in the form of shares or cash, and director dividends shall be distributed in the form of cash. The distribution of dividends shall be approved by more than one half of the Directors present at the Board of Directors' meeting attended by at least two-thirds of all Directors, and shall be reported at the shareholders' meeting.

The recipients of employee dividends in the form of shares or cash in accordance with the preceding subparagraph may include the employees of the Company's subsidiaries who meet

certain conditions; the terms of the distribution shall be decided by the Board of Directors.

## **Section VIII**

### **Miscellaneous**

#### **Article 35**

The organizational charter and by-laws of the Company shall be separately adopted by the Board of Directors.

#### **Article 36**

Matters not specified in this Articles of Incorporation shall be governed by the Company Act.

#### **Article 37**

The original Articles of Incorporation were adopted on December 15, 1969. Amended thereafter on June 25, 1971; April 25, 1972; October 25, 1972; November 25, 1973; May 1, 1974; May 30, 1975; September 16, 1976; May 16, 1977; June 30, 1977; March 16, 1978; August 16, 1978; February 20, 1979; August 20, 1980; May 24, 1981; June 13, 1982; May 15, 1983; April 8, 1984; April 21, 1985; April 27, 1986; April 25, 1987; May 9, 1988; April 20, 1989; April 20, 1990; April 23, 1991; April 23, 1992; April 17, 1993; April 21, 1994; April 21, 1995; April 23, 1996; April 24, 1997; April 24, 1998; April 23, 1999; April 25, 2000; April 25, 2001; May 29, 2002; May 27, 2003; May 25, 2004; June 14, 2005; June 13, 2006; June 15, 2007; June 13, 2008; June 4, 2009; June 15, 2010; June 15, 2011; June 15, 2012; June 18, 2013; June 17, 2014; June 15, 2016; June 15, 2017; June 16, 2020; July 29, 2021.

Chen, Yun-Hwa

*Chairman of the Board*

CHENG SHIN RUBBER IND. CO., LTD.