

# **CHENG SHIN RUBBER IND. CO., LTD.**

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

- Article 1: The Company shall be incorporated as a company limited by shares under the Company Act, and its name shall be 正新橡膠工業股份有限公司. English Name is CHENG SHIN RUBBER IND. CO., LTD.
- Article 2: The scope of business of the Company is as follows:
- I. C801990 Other Chemical Material Manufacturing
  - II. C802160 Adhesive Tape Manufacturing
  - III. C804010 Tire Manufacturing
  - IV. C804020 Industrial Rubber Products Manufacturing
  - V. C804990 Other Rubber Products Manufacturing
  - VI. CB01010 Machinery and Equipment Manufacturing
  - VII. D101011 Electric Power Generation
  - VIII. F112040 Petroleum Products Wholesale Industry
  - IX. F212050 Petroleum Products Retail Industry
  - X. F401010 International Trade
  - XI. ZZ99999 In addition to the permitted businesses, may operate businesses that are not prohibited or restricted by laws and regulations.
- Article 3: The total reinvestment of the Company may exceed 40% of the paid-in share capital.
- Article 4: The Company establishes its head office in Taichung City, and may establish branches in other places after the resolution of the Board of Directors if necessary.
- Article 5: The Company may guarantee external business for the same industry.

### **Chapter 2 Shares**

- Article 6: The total capital of the Company is set at NT\$ thirty-two billion four hundred and fourteen million one hundred and fifty-five thousand three hundred and sixty dollars, divided into three billion two hundred and forty-one million four hundred and fifteen thousand five hundred and thirty-six shares, ten New Taiwan dollars per share, issued in full.

- Article 7: The shares issued by the Company may be exempted from printing stocks, and the securities centralized custody institution shall be contacted to register the shares issued by it, and shall be handled in accordance with the regulations of the institution.
- Article 8: The Company's share issues are handled in accordance with the "Guidelines for the Handling of Publicly Listed Companies' Share Issues" promulgated by the competent authority.
- Article 9: The name change and transfer of the Company's shares shall not be carried out within 60 days before the regular Shareholders' Meeting, 30 days before the extraordinary Shareholders' Meeting, or within 5 days before the base date when the Company decides to distribute dividends, bonuses or other benefits.

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

- Article 10: The Company holds general and extraordinary shareholders' meetings.
- I. The general meeting shall be convened at least once a year. It shall be convened by the Board of Directors within six months after the close of each fiscal year.
  - II. The extraordinary meeting shall be held in accordance with the relevant statutory requirements whenever deemed necessary.
- The Company's shareholders' meetings can be held by means of video conferencing network or other methods as promulgated by the central competent authority.
- Article 11: The Regular Shareholders' Meeting shall be convened 30 days before the meeting. The convening of the Extraordinary Shareholders' Meeting shall be 15 days before the meeting. The date, place, and reason for the meeting shall be notified to all shareholders in writing or electronically according to laws and regulations. Notice to shareholders holding less than a thousand (1,000) shares may be given by public announcement.
- Article 11-1: When the Company convenes a Regular Shareholders' Meeting, shareholders with more than one percent of the shares may submit a written proposal to the Company for the Regular Shareholders' Meeting. However, the proposal is limited to one item. Any proposal with more than one item shall not be included, and its related operations are handled in accordance with the Company Act and related regulations.

- Article 12: A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney affixed with the Company's seal stating therein the scope of power authorized to the proxy and such proxy shall be archived. The proxy process is governed by Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" prescribed by the competent authority.
- Article 13: The Chairman of the Board of Directors shall be the Chairman of the Board of Directors at the Shareholders' Meeting. 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: Unless otherwise stipulated by the Company Act, the resolutions of the Shareholders' Meeting shall be attended by shareholders representing more than half of the total number of shares issued, and shall be executed with the approval of more than half of the voting rights of the shareholders present.  
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: Shareholders have one voting right per share, but those who are restricted or have no voting rights listed in Article 179 of the Company Act shall not be subject to this limit.  
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 minutes of the resolutions of the Shareholders' Meeting shall be prepared and signed or stamped by the chairman, and the minutes shall be distributed to all the shareholders within 20 days after the meeting, the distribution of the minutes shall be in accordance with the provisions of Article 183 of the Company Act.  
The minutes of the meeting shall record the year, month, day,

venue, name of the chairman, method of resolution, major resolution process and resolution results, and shall be permanently preserved during the existence of the Company.

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.

#### **Chapter 4 Board of Directors**

Article 17: The Company shall have 9-13 directors. A candidate nomination system shall be adopted. Candidates shall be nominated and elected at the shareholders' meeting from the list of candidates. The term of office shall be three years, and the director may be eligible for reelection. However, the provisions of Article 26-3 of the Securities and Exchange Act shall not be violated.

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-third 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 total shareholding ratio of all directors shall be in accordance with the regulations of the securities regulatory authority.

Article 18: The Directors shall elect one person as the Chairman of the Board, and may elect one person as the Vice Chairman of the Board in the same way. The Chairman shall represent the Company externally and internally serve as the Chairman of the Shareholders' Meeting and the Board of Directors.

Article 19: The powers of the board of directors are as follows:

- I. Approve important regulations.
- II. Decide on the business directions of the Company;
- III. Approve budgets and financial statements;
- IV. Submit proposals regarding distribution of profits;
- V. Submit proposals regarding capital increase or reduction;

- VI. Sale and purchase and investment of real property;
- VII. Appoint and remove key management of the Company;
- VIII. Guarantee for companies in the same industry;
- IX. Decide on adjustment of the organizational structure and other important matters of the Company;
- X. Prepare and review annual and quarterly financial statements; and
- XI. Other powers and duties conferred by the Company Act or by the shareholders at the shareholders' meeting.
- XII. The authority referred to in the preceding paragraph shall be reported to the shareholders' meeting or submitted for ratification when necessary in accordance with the provisions of the Company Act.

Article 20: In the event of a vacancy of one-third of the total number of Directors or all Independent Directors are dismissed, the Board of Directors shall convene a by-election at an Extraordinary Shareholders' Meeting within 60 days. The term of office of the by-election Director shall be the term of the original Director.

Article 21: The Board of Directors meets at least once every quarter and may convene at any time in case of emergency or request of more than half of the Directors. The convening of the board of directors of the Company may be in writing, via email or fax.

Article 22: The board of directors shall be chaired by the chairman. When the Chairman of the Board is on leave or for any reason unable to exercise his powers, it shall be handled in accordance with Article 208 of the Company Act.

Article 23: When the Board of Directors meets, it is the principle that the Directors shall be present 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 a 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: Unless otherwise provided by the Company Act, resolutions of the board of directors shall be attended by a majority of the directors and taken with the consent of a majority of the attending directors.
- Minutes of Board meetings must be signed or stamped by the Chairman and notes takers and distributed to all the Directors within 20 days after the meeting. The minutes shall be properly kept indefinitely as important records by the Company.
- 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 remuneration 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: During the term of office of the Directors, the Company may purchase liability insurance for the liability for compensation in accordance with the law for the scope of the execution of the affairs.

## **Chapter 5 Audit Committee**

- Article 26: The Company shall establish an audit committee in accordance with laws and regulations, consisting of all independent directors. The number of members shall not be less than three, with one person being the convener and at least one person possessing 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 has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The original Company Act, Securities and Exchange Act, and other relevant laws and regulations stipulate that the supervisory authority shall be exercised by the audit committee.
- Article 28: The board of directors of the Company may establish various 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.

## **Chapter 6 Managers and Staff**

- Article 29: The Company may have several managers who shall manage all affairs of the Company in accordance with the decisions of the board of directors.  
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 be ordered by the Board of Directors to supervise the business of the Company, and the General Manager shall be represented by the Deputy General Manager if he is unable to perform his duties due to circumstances.
- Article 31: The Company's organizational system and the number of posts and appointment methods for employees at all levels shall be determined by the Board of Directors.

## **Chapter 7 Accounting**

- Article 32: The accounting year of the Company is from January 1 to December 31, and the final accounts shall be handled at the end of each year.
- Article 33: At the end of each fiscal year of the Company, the Board of Directors shall compile various forms stipulated in Article 228 of the Company Act and submit them to the Regular Shareholders' Meeting for recognition.
- Article 34: From the profits as shown through the final annual account, the sum to pay all taxes and make up previous loss, if any, shall be first withheld, then 10% shall be reserved as legal reserve. Then the sum for special reserve which shall be duly appropriated or restored according to laws. The final balance, if any, added with the initial unappropriated retained earnings, shall be duly distributed as bonus to shareholders after the proposal by board of directors and adoption of shareholders' meeting.  
When the board of directors decides to distribute all or part of the dividends and bonuses, legal reserves, and capital reserves in cash, the meeting of board of directors is attended by two-thirds or more of the authorized directors, the proposal is resolved by a majority of directors in attendance, and the resolution is reported to the shareholders' meeting. The issue of new shares of a

company shall be determined by the board of directors by a resolution.

The dividends to the shareholders under such a 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 employees' remuneration (no less than 30% of the remuneration of employees described in this paragraph shall be appropriated as the remuneration of entry-level employees), and no more than 3% of such profit as directors' remuneration, 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.

## **Chapter 8 Supplementary Provisions**

Article 35: The organizational regulations and detailed rules of the Company shall be separately formulated by the board of directors.

Article 36: Undecided matters in this Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 37: These Articles of Incorporation was established on December 15, 1969. The 1st amendment was made on June 20, 1971, the 2nd amendment was made on April 25, 1972, the 3rd amendment was made on October 25, 1972, the 4th amendment was made on November 25, 1973, the 5th amendment was made on May 1, 1974, the 6th amendment was made on May 30, 1975, the 7th amendment was made on September 16, 1976, the 8th amendment was made on May 16, 1977, the 9th amendment was made on June 30, 1977, the 10th amendment was made on March 16, 1978, the 11th amendment was made on August 16, 1978, the 12th amendment was made on February 20, 1979, the



13th amendment was made on August 20, 1980, the 14th amendment was made on May 24, 1981, the 15th amendment was made on June 13, 1982, the 16th amendment was made on May 15, 1983, the 17th amendment was made on April 8, 1984, the 18th amendment was made on April 21, 1985, the 19th amendment was made on April 27, 1986, the 20th amendment was made on April 25, 1987, the 21st amendment was made on May 9, 1988, the 22nd amendment was made on April 20, 1989, the 23rd amendment was made on April 20, 1990, the 24th amendment was made on April 23, 1991, the 25th amendment was made on April 23, 1992, the 26th amendment was made on April 17, 1993, the 27th amendment was made on April 21, 1994, the 28th amendment was made on April 21, 1995, the 29th amendment was made on April 23, 1996, the 30th amendment was made on April 24, 1997, the 31st amendment was made on April 24, 1998, the 32nd amendment was made on April 23, 1999, the 33rd amendment was made on April 25, 2000, the 34th amendment was made on April 25, 2001, the 35th amendment was made on May 29, 2002, the 36th amendment was made on May 27, 2003, the 37th amendment was made on May 25, 2004, the 38th amendment was made on June 14, 2005, the 39th amendment was made on June 13, 2006, the 40th amendment was made on June 15, 2007. The 41st amendment was made on June 13, 2008. The 42nd amendment was made on June 4, 2009. The 43rd amendment was made on June 15, 2010. The 44th amendment was made on June 15, 2011. The 45th amendment was made on June 15, 2012. The 46th amendment was made on June 18, 2013. The 47th amendment was made on June 17, 2014. The 48th amendment was made on June 15, 2016. The 49th amendment was made on June 15, 2017. The 50th amendment was made on June 16, 2020. The 51st amendment was made on July 29, 2021. The 52nd amendment was made on May 31, 2022. The 53rd amendment was made on May 31, 2023. The 54th amendment was made on May 26, 2025.

CHENG SHIN RUBBER IND. CO., LTD.

Chairman: Chen, Yun-Hwa

