

**Hong Tai Electric Industrial Co., Ltd.**  
**Articles of Incorporation**  
**Chapter I. General Provisions**

Article 1: The Company is organized in compliance with the Company Act and is named Hong Tai Electric Industrial Co., Ltd. (宏泰電工股份有限公司).

Article 2: Its scope of operation includes:

- I. Manufacturing, processing, and distribution of various types of electrical wires, cables, and accessories
- II. Smelting, manufacturing, processing, and distribution of various types of metal products
- III. Design, manufacturing, processing, and distribution of raw materials, semi-finished products, and final products of various electrical/mechanical, electronic, electrical appliances, communications, semi-conductors, copper foil substrates, and insulating materials.
- IV. Manufacturing, processing, and distribution of the above-listed various relevant machines
- V. Design, construction, maintenance, and provision of quality control and technical service for various power and telecommunication projects
- VI. C901010 Manufacturing of ceramics and ceramic products
- VII. CC01020 Manufacturing of electrical wires and cables
- VIII. CC01060 Manufacturing of cable communication machinery and devices
- IX. CC01080 Manufacturing of electronic parts and components
- X. CC01090 Manufacturing of batteries
- XI. CC01070 Manufacturing of wireless communication machinery and devices
- XII. CE01030 Manufacturing of optical instruments
- XIII. E601010 Installation of electrical appliances
- XIV. EZ06010 Traffic sign engineering
- XV. I301020 Data processing
- XVI. I301030 Electronic information supply
- XVII. Agency and dealership for imports and exports concerning each of the above-listed businesses.
- XVIII. ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.

Article 3: The Company may provide external guarantee as needed for its business with prior approval by the Board of Directors. The external re-investments of the Company may exceed 40% of its paid-in capital.

Article 4: The Company is established in Taoyuan and its branch office, agency, operating location, or manufacturing facility may be set up domestically or internationally as needed.

## **Chapter II. Shares**

Article 5: The Company has a capital size worth NT\$3.98 billion only which consists of 398 million shares, with each share worth NT\$10. The shares are issued in separate efforts. Shares are issued to meet actual demand with prior approval by the Board of Directors. As part of the capital size indicated in the preceding paragraph, NT\$100 million, consisting of 10 million shares with each share worth NT\$10, is meant for issuance of employee subscription certificates and may be released in separate efforts. The Board of Directors is authorized to issue them in compliance with the Company Act and applicable laws and regulations.

Article 5-1: The Company may assign shares of the Company that have been bought back to its employees at the mean price of the shares actually bought back or issue employee subscription certificates at the subscription price below the closing price of the Company's stock on the date of issuance with two-thirds or more of affirmative votes among shareholders holding a majority of issued shares combined who attended the shareholders' meeting. Parties to whom the shares bought back by the Company as indicated in the preceding paragraph are assigned may include employees of affiliated companies meeting certain criteria. The criteria and the assignment approach may be decided by the Board of Directors as authorized.

Article 5-2: Parties to whom the Company's employee subscription certificates, restricted stock awards, and retained new shares upon capital increase in cash for subscription by employees are issued may include employees of affiliated companies meeting certain criteria. The criteria, the issuance method, and the subscription method may be decided by the Board of Directors as authorized.

Article 6: The registered share certificates of the Company shall be affixed with the signature or seal of the director representing the Company, and shall be legally authenticated before issuance. For shares issued by the Company, it is allowed not to print out the stock yet they shall

be registered at the depository and clearing institutions for securities.

Article 7: Shareholder relations of the Company, unless specified otherwise in laws and regulations, shall be addressed as required by the competent authority.

### **Chapter III. Shareholders' Meeting**

Article 8: The shareholders' meetings include the general ones and the extraordinary ones. General shareholders' meetings are called for by the Board of Directors within six months after each fiscal year ends while the extraordinary ones are to be called for whenever it is considered necessary by law. A shareholders' meeting of the Company may be held through video conferencing or in any other way announced by the central competent authority. A meeting held through video-conferencing shall meet applicable requirements such as the criteria, the operating procedure, and other matters that shall be followed unless it is specified otherwise by the competent securities authority.

Article 9: When a shareholder is unable to attend the shareholders' meeting for whatever the reason, the shareholder may present a proxy statement printed by the Company that states the scope of authorization to entrust a proxy to attend the shareholders' meeting. The said proxy statement shall be delivered to the Company or to the registrar designated by the Company five days before the shareholders' meeting. In case of any repetition, the one that is delivered earlier shall be valid. With the exception of trust businesses or registrars approved by the competent securities authority, when the votes that may be cast by one proxy representing two or more shareholders exceed three percent of the votes of total shares issued, the excess shall not be counted.

Article 10: Each shareholder of the Company, unless specified otherwise in laws and regulations, has one voting right for each share held.

Article 11: Shareholders' resolutions shall be adopted by at least a majority of the votes of shareholders present at a shareholders' meeting who hold a majority of all issued and outstanding shares of the Company unless otherwise required by the Company Act.

### **Chapter IV. Directors and Managers**

Article 12: The Company has five to nine directors who serve a term of three years. According to the candidate nomination system under Article 192-1 of the Company Act, the directors are elected among those shown on the

list of candidates in the shareholders' meeting and may serve multiple terms if they are re-elected. The shares held by all directors combined of the Company may not be less than the percentage required by the competent authority. Among the directors are at least three independent directors that may not be less than one-fifth of all directors and are elected among those shown on the list of candidates in the shareholders' meeting. Independent directors and non-independent directors shall be elected concurrently and the elects are calculated separately. The Audit Committee shall consist of all independent directors and its powers and related matters shall be devised by the Board of Directors separately in accordance with applicable laws and regulations. The Company's Board of Directors may set up functional committees whose membership eligibility, functions, and related matters shall be devised by the Board of Directors separately in accordance with applicable laws and regulations.

Article 13: The Board of Directors is staffed by directors. The Chairman is elected among the directors upon approval by a majority of directors present in the board meeting that is attended by two-thirds or more of all directors and one Vice Chairman may be assigned. The Chairman represents the Company externally and is the chairperson of the Board of Directors internally.

Article 14: In the event that the Chairman is on leave or is not functional for some reason, the Vice Chairman shall act on his/her behalf. In the event that both the Chairman and the Vice Chairman are absent, one director shall be assigned by the Chairman to act on his/her behalf. When no proxies are assigned, the directors may have one among themselves to act on behalf of the Chairman. In the event that directors are unable to attend the board meeting in person, they may assign other directors to act on their behalf in the meeting as required by the Company Act.

Article 15: A board meeting, except for the very first one of each intake that is called for as required by the Company Act, is to be called for by the Chairman. Decisions made by the Board of Directors, unless specified otherwise in the Company Act, shall be supported by approval from a majority of attending directors who account for a majority of all directors. A notice of the reasons for convening a board meeting shall be given to each director seven days before the meeting is convened. Under emergency circumstances, however, a board meeting may be called

for at any time without written notice. The notice may be provided in writing, by fax, or through email.

Article 16: Responsibilities of the Board of Directors are as follows:

- (I) To deliberate on business plans
- (II) To deliberate on budget and final accounts
- (III) To deliberate on capital increase or reduction
- (IV) To deliberate on the distribution of earnings or appropriations to fill losses
- (V) To deliberate on respective rules and important contracts
- (VI) To deliberate on the establishment, change, or cancelation of branches
- (VII) To decide on important candidates and to deliberate on the acquisition or disposal of important assets
- (VIII) To call for shareholders' meetings
- (IX) To review and finalize the Regulations Governing the Retirement of Appointed Managers
- (X) To deliberate on the assignment of dividends, legal reserve, and capital reserve in cash in special approved ways
- (XI) To deliberate on other responsibilities provided under laws and regulations and through the shareholders' meeting and important matters specified by the competent authority

Article 17: The Company may set up managers whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 18: The General Manager of the Company, in compliance with the decisions made by the Board of Directors and instructions from the Chairman, handles all affairs concerning the Company.

Article 19: Directors of the Company may receive compensation unaffected by profits or losses according to their involvement in and their contributions to the Company's operation. The industrial standards may be referred to. Such compensation is determined by the Board of Directors as authorized after it is deliberated by the Compensation and Remuneration Committee. When a director or a shareholder is also an employee, salaries shall be paid as they are for the other employees. The Board of Directors may purchase liability insurance for directors and important cadres during their term in office with approval from a majority of directors attending the board meeting who represent a majority of all directors to meet the actual demand.

## Chapter V. Accounting

Article 20: The Board of Directors will prepare the (I) Business Report, (II) Financial Statements), and (III) tables or books with proposed distribution of earnings or appropriations to fill losses at the end of each fiscal year and bring them forth in the general shareholders' meeting to be acknowledged.

Article 21: In cases of profits for the year, the Company shall set aside 2% to 8% as remuneration to employees and no more than 3% to be that to directors. With accumulated deficits remaining, however, the portion required to offset the deficits shall be retained first. Of the employee remuneration amount referred to in the preceding paragraph, no less than sixty percent shall be set aside for the distribution of remuneration to non-executive employees. Where remunerations for employees are in stock cash and the parties to whom such stock or cash may be issued to may include employees of affiliated companies meeting certain criteria, the criteria and the distribution method are to be decided by the Board of Directors as authorized. By profitability for the year as indicated in Paragraph 1, it refers to the profits before the remunerations for employees and those for directors are subtracted from the pre-tax profits for the year. Remunerations for employees and those for directors shall be assigned on the basis of a decision supported by a majority of directors attending the board meeting who represent two-thirds or more of all directors and shall be presented in the shareholders' meeting.

Article 21-1: After accounts are finalized at the end of the year, in cases of earnings, the Company shall allocate the portion required to offset deficits and pay all taxes first and then set aside 10% to be the legal reserve unless the accumulated legal reserve has reached the capital size of the Company. Meanwhile, after the special reserve is set aside or reversed as required by law, the remainder, along with the undistributed earnings at start of term, shall be the accumulated distributable earnings. The Board of Directors will prepare the assignment proposal and bring it forth in the shareholders' meeting for a decision before it is enforced. For the distribution of earnings as indicated in the preceding paragraph, the Board of Directors, with attendance of two-thirds and more of all directors and approval from a majority of attending directors, decides on the release of all or part of the dividends to be assigned, along with the proposals on

the distribution of legal reserve and capital reserve, in cash and presented it in the shareholders' meeting. Part of the Company' s products belong to the traditional industry and the corporate life cycle is gradually reaching "maturity" while part of them belong to an emerging industry whose life cycle is at the growth stage. The Company' s policies on the distribution of dividends must take into consideration its demand for funds in the future and its long-term financial plan while at the same time taking care of the interests of its shareholders. It is not to exceed 20% of the earnings available for distribution for the year in principle. The ratio of cash dividends to be distributed, in particular, may not be below 10% of the total dividends. In cases of non-frequent material income for the earnings of the specific year, however, part or all of the said income may be retained in the distribution of dividends and the ratios indicated in the foregoing paragraph do not apply.

## **Chapter VI. Supplemental Provisions**

Article 22:For details not covered herein, the requirements of the Company Act and applicable regulatory requirements shall be followed.

Article 23:These Articles of Incorporation were established on October 26, 1967 and were revised for the first time on July 8, 1970,.....for the 22<sup>nd</sup> time on June 4, 1999, for the 23<sup>rd</sup> time on April 27, 2000, for the 24<sup>th</sup> time on April 26, 2001, for the 25<sup>th</sup> time on May 7, 2002, for the 26<sup>th</sup> time on April 22, 2003, for the 27<sup>th</sup> time on May 28, 2004, for the 28<sup>th</sup> time on June 10, 2005, for the 29<sup>th</sup> time on June 9, 2006, for the 30<sup>th</sup> time on June 16, 2009, for the 31<sup>st</sup> time on June 15, 2010, for the 32<sup>nd</sup> time on June 12, 2012, for the 33<sup>rd</sup> time on June 14, 2013, for the 34<sup>th</sup> time on June 23, 2015, for the 35<sup>th</sup> time on June 21, 2016, for the 36<sup>th</sup> time on June 14, 2018, for the 37<sup>th</sup> time on June 13, 2019, for the 38<sup>th</sup> time on June 21, 2022, and for the 39<sup>th</sup> time on June 18, 2025.