

# **ARTICLES OF INCORPORATION OF HUA NAN COMMERCIAL BANK, LTD.**

## **Chapter One General Provisions**

### **Article 1 (Objective)**

The objectives of this bank are to coordinate with financial, economic and monetary policies, to support economic construction, to promote industry and commerce, to provide comprehensive and quality financial services, and to enhance the welfare of the society and the public.

### **Article 2 (Company name)**

This bank shall be organized in accordance with the relevant provisions of the Banking Law, Financial Holding Company Act and the Company Law, and shall be named as Hua Nan Commercial Bank, Ltd.

### **Article 3 (Location)**

The head office of this bank shall be located Taipei City and branch offices may be established at appropriate places inside and outside of the country according to business requirements.

### **Article 4 (Public notice)**

Public notice to be given by this bank shall be published in a newspaper or electronic newspaper, or announced on the website established or designated by the central competent authority. For the preceding paragraph, this bank shall comply with the provisions otherwise prescribed by the competent authority in charge of securities affairs.

## **Chapter Two Shares**

### **Article 5 (Capital)**

The total capital of this bank shall be New Taiwan Dollars Ninety Billion, Seven Hundred and Sixty Seven Million (NT\$90,767,000,000), divided into Nine Billion, Seventy Six Million, Seven Hundred Thousand (9,076,700,000) shares at Ten New Taiwan Dollars (NT\$10.00) per share, to be fully issued.

### **Article 6 (Issuance of share certificates)**

All share certificates of this bank shall be affixed with the signatures or personal seals of the director representing the company and issued according to the laws.

### **Article 7 (Seal of shareholders)**

Each shareholder of this bank shall fill in and deliver a specimen chop card to this bank for keeping. All claims for dividends and bonuses, exercising of shareholders rights in writing or contacts in writing with this bank shall be authenticated by the said chops.

#### Article 8 (Handling and operation of shareholding matters)

The handling and operation of share related matters shall be handled in accordance with the laws and regulations applied by the competent authority and the rules applied by the department handling share affairs of this bank.

## **Chapter Three** **Scope of Business**

#### Article 9 (Business items)

This bank is classified as H101021 commercial bank and H601011 personal insurance agency and shall engage in the following businesses.

- (1) Receiving checking deposits, demand deposits and time deposits.
- (2) Issuing financial bonds.
- (3) Extending short and medium term loans and discounting negotiable instruments.
- (4) Investing in government bonds, short-term bills, corporate bonds and financial bonds.
- (5) Handling domestic and foreign remittances and exchange.
- (6) Accepting commercial bills of exchange.
- (7) Issuing domestic and international letters of credit.
- (8) Guaranteeing issuance of corporate bonds.
- (9) Handling domestic and international guarantees.
- (10) Acting as collection and payment agents.
- (11) Undertaking the underwriting and trading of securities for ourselves.
- (12) Buying and selling government security bonds.
- (13) Undertaking underwriting, certifying and trading of short-term bills and acting as short-term bill broker.
- (14) Buying and selling gold bullion, gold coin, and silver coin.
- (15) Acting as distributors for the sale of government bonds, treasury bonds, corporate bonds and company stocks.
- (16) Handling credit card business.
- (17) Engaging in trust business.
- (18) Handling warehousing, custodial and agency services related to any business

described above.

- (19) Handling personal insurance agency business.
- (20) Other relevant businesses as approved by the central competent authorities.

## **Chapter Four**

### **Meetings of Shareholders**

#### **Article 10 (Types of shareholders meeting and convene time)**

The meetings of shareholders of this bank are divided into regular meetings and special meetings; regular meetings shall be held once a year within six months after close of each fiscal year and convened by the board of directors, and special meetings shall be convened by the board of directors or the supervisors when necessary in accordance with the relevant provisions of the Company Law. Shareholders holding three percent or more of the total shares continuously for one year or more may also request the board of directors to convene a special meeting by means of a written request, specifying motion and reasons.

#### **Article 11 (Notice for the shareholders meeting)**

Thirty days prior to the convention of a regular meeting, or fifteen days prior to the convention of a special meeting, a notice about the date, place and agenda of the meeting shall be given to various (all) shareholders.

#### **Article 12 (Proxy to attend)**

When for certain reasons a shareholder cannot attend a shareholders meeting, he may appoint a proxy to attend the meeting by delivering to this bank, five days prior to the shareholders meeting, a duly signed or sealed proxy form printed by this bank, specifying the scope of authorization. However, a shareholder shall be limited to issuing one proxy and appointing one proxy.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

#### **Article 13 (Election of the chairman)**

Unless as otherwise provided for in the law, the chairman shall preside at a shareholders meeting. If the chairman cannot attend the meeting, the vice chairman shall act on his behalf; if there is no vice chairman or the vice chairman also cannot attend the meeting, the chairman shall designate one of the managing directors to represent him; in the event the chairman has not designated any representative, the managing directors shall elect one from among themselves to represent him.

#### **Article 14 (Resolution matters)**

The matters which shall be resolved by a meeting of shareholders are as follows:

- (1) The adoption and revision of the Articles of Incorporation of this bank.
- (2) The election and removal of directors and supervisors.
- (3) The examination of the statements prepared by the board of directors and the reports prepared by the supervisors. The meeting of shareholders may elect and designate examiners for the purpose of examining such statements and reports.
- (4) Resolving on the increment or reduction of capital.
- (5) Resolving on the distribution of the profit, or appropriation to cover loss.
- (6) Resolving on other matters that should be resolved by the meetings of shareholder as provided by the laws.”

#### Article 15 (Resolution methods)

Except as otherwise provided by law, a resolution of a shareholders meeting shall be adopted at a meeting attended by shareholders representing a majority of the total number of shares issued and at which meeting a majority of the votes held by the shareholders present shall be cast in favor of such resolution.

In the event the shareholders present do not constitute the aforesaid quorum, but if the shareholders present represent one-third or more of the total number of shares issued, a provisional resolution may be passed by a majority vote of those present. All shareholders shall be notified of the provisional resolution and another shareholders meeting shall be convened within one month thereafter.

If the aforesaid (subsequent) shareholders meeting is attended by shareholders representing one-third or more of the total number of shares issued and the provisional resolution is passed by a majority vote of the shareholders present, the provisional resolution shall be deemed a resolution referred to in the first paragraph hereof.

#### Article 16 (Calculation of voting rights)

A shareholder shall have one vote for every share he holds.

#### Article 17 (Recording and saving for meeting minutes)

The matters discussed and resolved by a shareholders' meeting shall be recorded in meeting minutes, signed or sealed by the chairman of the meeting, and distributed to all the shareholders within twenty days after the meeting.

The distribution of the minutes of the shareholders' meeting to the registered shareholders whose shareholding is less than one thousand may be effected by public notice.

The meeting minutes shall contain the date and place of the meeting, the name of the chairman, and the method of adopting resolutions, as well as a gist of proceedings and the results. The meeting minutes shall be filed together with the shareholders attendance register and the proxy forms.

#### Article 18 (The functional duties and power of the shareholders meeting exercised by board of directors)

In the event that this bank is organized by a single juristic person shareholder, the functional duties and power of the shareholders' meeting of the bank shall be exercised by its board of directors, to which the provisions governing the shareholders' meeting as set out in these articles of incorporation shall not apply.

## **Chapter Five**

### **Board of Directors**

#### **Article 19 (Number, appointment and term of directors and independent directors)**

This bank shall have a board of directors comprising fifteen directors at least and twenty one directors at most. Unless a financial holding company solely holds all the outstanding shares of this bank in which case the directors shall be appointed by the said financial holding company, otherwise the directors shall be elected by the shareholders' meeting from among the persons with disposing capacity.

Among the directors, there should be at least two independent directors, and the members of independent directors shall not be less than one-fifth of the directors. Unless a financial holding company solely holds all the outstanding shares of this bank in which case the independent directors shall be appointed by the said financial holding company, otherwise the nomination of candidates for independent directors shall be adopted, and the independent directors shall be elected by the shareholders' meeting from the candidate list. The expertise qualifications, status of shares held, multiple jobholding restriction, stipulations for the nature of independence, and other compliance obligations in regard to the independent directors are all subject to the related regulations applied by the competent authority.

The term of office of a director shall be three years and a director may be re-elected for multiple terms, provided, however, if a director is appointed by a financial holding company, the terms of office of such director shall be subject to the Company Law or the Financial Holding Company Act.

A director representing the government or a legal entity shareholder may be replaced at any time by another person as the result of a change of his function.

When one-third of directors are vacant, within sixty days, a special meeting of shareholders shall be convened to elect new directors, or the financial holding company shall appoint new directors to fill the vacancies.

The term of the replacing or supplementary directors shall expire on the completion of the original term of office of the directors having been replaced or supplemented.

The total number of shares held by all the directors shall conform to the prescription of the relevant regulatory agency.

#### **Article 20 (Appointment and functional authority of chairman, vice chairman and managing director; remuneration of directors; payment of the retired or terminated chairman and vice chairman)**

A meeting of the board of directors attended by two-thirds or more of the directors shall, with the consent of a majority of the directors present, elect five managing directors from among themselves. A meeting of the managing directors attended by two-thirds or more of the managing

directors shall, with the consent of a majority of the managing directors present, elect one person from among themselves as the chairman of the board, and also elect in the same manner a vice chairman. The chairman of the board shall be the chairman of the meetings of shareholders, the meeting of the board of directors and the meetings of managing directors, and shall represent this bank externally.

Among the managing directors, there should be at least one independent director, and the members of the independent directors shall not be less than one fifth of the managing directors.

In case the chairman of the board is on leave or is unable to perform his duties for any reason, the vice chairman shall act on his behalf; if there is no vice chairman or the vice chairman is also on leave or unable to perform his duties for any reason, the chairman may designate one of the managing directors to represent him; in the event he has not designated any representative, the managing directors shall elect one from among themselves to represent him.

The board of directors is authorized to prescribe remunerations to directors according to the extent of the directors' contribution and participation to this bank, and referring to the general remuneration level of other banks.

The payments of retirement and termination payable to the chairman, vice chairman shall apply mutatis mutandis to the provisional standard provided in the Labor Standards Act without regard to the requirement pertaining to age and service period."

#### Article 21 (Submission to the competent authorities)

After the chairman and vice chairman of the board, the managing directors and the directors have been elected, their names shall be submitted to the competent authority for recordation."

#### Article 22 (Duties and powers of the board of directors)

The duties and powers of the board of directors are as follows:

- (1) Examination and approval of important rules and regulations.
- (2) Examination and approval of operation projects.
- (3) Determination of the increment or reduction of capital.
- (4) Examination and approval of the establishment, abolishment or alteration of branch offices.
- (5) Examination and approval of important contracts.
- (6) Examination and approval of the budget and the final accounting statements.
- (7) Examination and approval of the sale and purchase of real estate.
- (8) Examination and approval of investments in other companies.
- (9) Determination of the distribution of profit or appropriation to cover loss.
- (10) Approval of important businesses.
- (11) Review and approval of the appointment and dismissal of the president, executive vice presidents, chief auditing officer, and special commissioners.

(12) Discussion of matters submitted by the chairman of the board.

(13) Other duties and powers accorded by laws and regulations and the meetings of shareholders.

In exercising its duties and powers pursuant to the provisions of subparagraph 8 of the preceding paragraph, the board of directors shall not be limited by the restriction in Paragraph 2 of Article 13 of the Company Law, which provides that a company's investments in other companies shall exceed forty percent of the paid-in capital of the company."

#### Article 23 (Authorized matters)

The board of directors is authorized to prescribe and amend articles relating to the organization of the board of directors of this bank and to report the same to the shareholders' meeting.

#### Article 24 (Setting up for chief auditing officer)

The board of directors shall set up an auditing department to handle the auditing affairs. The auditing department shall have one chief auditing officer, whose appointment, dismissal or transfer shall be proposed by the chairman of the board and passed with the consent of two-third of directors. The name of the chief auditing officer shall be submitted to the competent authority for approval before his inauguration.

The chief auditing officer shall handle the audit affairs pursuant to the directions of the board of directors, and shall report periodically to the board of directors and the supervisors."

#### Article 25 (Notice and rule of procedure)

The board of directors shall hold a general meeting every quarter. A special meeting of the board of directors may be held in case of emergency or at the request of a majority of the directors. The board meetings notice and the production and distribution of meeting minutes could be done in written form or by electronic means except as otherwise regulated by the Company Law.

The rules of procedure for board of directors meeting shall be made in accordance with relevant laws, regulations, and the present Articles of Incorporation, and to report the same to the shareholders' meeting.

#### Article 26 (Proxy of director)

If a director is unable to attend a board meeting for any reason, he may appoint another director as his proxy to represent him at the meeting. However, a separate proxy form shall be issued for every meeting, and the scope of authorization shall be specified thereon.

The aforesaid proxy shall be restricted to representing only one director.

In case a meeting of a board of directors is held via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

#### Article 27 (Resolution of the board of directors)

Except as otherwise provided by Law, a resolution of the board of directors shall be adopted at a meeting attended by a majority of the directors with the consent of a majority of the directors present at the meeting.

#### Article 28 (Recording and saving for meeting minutes)

The matters discussed a meeting of the board of directors shall be recorded in meeting minutes signed or sealed by the chairman, and distributed to all the directors within twenty days after the meeting. The meeting minutes shall contain the date and place of the meeting, the name of the chairman, the method of adopting resolutions, a gist of proceedings and the results. The meeting minutes shall be filed together with the directors' attendance register and the proxy forms.

#### Article 29 (Invitees of the board meetings)

When the board of directors is in session, it may invite the supervisors, the president, executive vice presidents, and the chief auditing officer, and it may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the board of directors may also invite certified public accountants, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

#### Article 30 (Duties of managing directors and meeting convened)

When the board of directors is not in session, the managing directors shall perform the functions of the board of directors by way of a meeting convened and presided by the chairman of the board at any time in accordance with the laws and regulations, the Articles of Incorporation, the resolutions of the meetings. If the chairman of the board cannot attend the meeting, the vice chairman shall act on his behalf; if there is no vice chairman or the vice chairman also cannot attend the meeting, the chairman may designate one of the managing directors to represent him; in the event the chairman has not designated any representative, the managing directors shall elect one from among themselves.

When the managing directors perform the aforesaid functions of the board of directors, the following affairs can be discussed, but still shall be resolved by the board of directors:

1. The matters that shall be resolved by a meeting of the board of directors attended by two-thirds or more of the directors with the consent of half or three-fourths or more in accordance with the Banking Law, the Financial Holding Company Acts, and the Company Law.
2. Other matters that shall be resolved exclusively by the board of directors according to relevant laws and regulations.

#### Article 31 (Resolutions of meeting of managing directors)

Except as otherwise provided by the Company Law, a resolution of a meeting of managing directors shall be adopted at a meeting attended by a majority of the managing directors with the consent of a majority of the managing directors present at the meeting. The meeting minutes shall be signed or sealed by the chairman.

#### Article 32 (Invitees of meetings of managing directors)



When the board of managing directors is in session, it may invite the supervisors, the president, executive vice presidents, and the chief auditing officer, and it may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the board of managing directors may also invite certified public accountants, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.”

## **Chapter Six Supervisors**

### **Article 33 (Number, appointment and term of supervisors)**

This bank shall have five supervisors. Unless a financial holding company solely holds all the outstanding shares of this bank in which case the supervisors shall be appointed by the financial holding company, otherwise the supervisors shall be elected by the shareholders’ meeting from among the persons with disposing capacity.

The term of office of a supervisor shall be three years and a supervisor may be re-elected for multiple terms, provided, however, if a supervisor is appointed by a financial holding company, the terms of office of such director shall be subject to the Company Law or the Financial Holding Company Act.

A supervisor representing the government or a legal entity shareholder may be replaced at any time by another person as the result of a change of his function. The term of office of the replacing supervisor shall expire on the completion of the original term of office of the supervisor having been replaced.

The total number of shares held all of aforesaid supervisors shall conform to the prescription of the relevant regulatory agency.

### **Article 34 (Appointment and remuneration of standing supervisor)**

This bank shall have one standing supervisor elected from among the supervisors to represent all the supervisors and reside and work at this bank.

The board of directors is authorized to prescribe remunerations to supervisors according to the extent of the supervisors’ contribution and participation to this bank, and referring to the general remuneration level of other banks.

### **Article 35 (Submission to the competent authorities)**

After the supervisors and the standing supervisor have been elected, their names shall be submitted to the competent authority for recordation.

### **Article 36 (Duties and powers of the supervisors)**

The duties and powers of the supervisors are as follows:

1. The investigation, examination and approval of operation and financial status.
2. The auditing and approval of accounts, accounting books and documents and final financial statements.
3. The inspection of inventories.
4. The supervision of business affairs performed by employees and the correction of any misconduct or deed in violation of the law.
5. Other duties and powers accorded by laws and regulations.

#### Article 37 (Invitees to supervisors meetings)

The supervisors may be present at a meeting of the board of directors and the standing supervisor may be present at a meeting of managing directors without the right to vote.”

## **Chapter Seven Managers**

#### Article 38 (Appointment and dismissal of managers)

This bank shall have one president to manage the business affairs pursuant to be resolutions of the board of directors. The appointment and dismissal of the president shall be proposed by the chairman of the board to the board of directors and passed with the consent of a majority of the directors. The name of the president shall be submitted to the competent authority.

This bank shall have several executive vice presidents to assist the president to manage the business affairs. The appointment and dismissal of the executive vice presidents shall be proposed by the president to the board of directors and passed with the consent of a majority of the directors.

#### Article 39 (Duties to act)

In case the president cannot perform his functions for any reason, the chairman of the board shall designate one of the executive vice presidents to represent him, subject to the approval of the board of directors.

## **Chapter Eight Accounting**

#### Article 40 (Fiscal year)

The fiscal year of this bank is from January 1 to December 31 of every year. There shall be two half terms per year; the final accounting for the first half term is set at June 30, and that for the second half term is set at December 31. The annual final accounting shall be done at the end of the fiscal year.

#### Article 41 (Preparation of financial statements and reports)

At the end of a fiscal year, the board of directors shall prepare and deliver the following statements and reports to the supervisors for auditing purposes thirty (30) days prior to the general

shareholders meeting, and the supervisors shall submit the same to the general shareholders meeting for recognition.

1. The business report.
2. The financial statements.
3. Motions relating to the distribution of profit or appropriation to cover loss.

Within fifteen (15) days after the general shareholders meeting has recognized them, the aforesaid statements and report shall be submitted to the central regulatory agency and the Central Bank of China for recordation, and the financial statements shall be published in accordance with relevant regulations and laws.

#### Article 42 (Annual final accounting)

If there is any profit, the bank should set aside one to six percent (1-6%) as employees' compensation based on profit before tax deducting the aforementioned employees' compensation. The employees' compensation shall be determined each year by the Board of Directors authorized to do so in consideration of the employees' performance and profitability status of this bank. However, this bank's accumulated losses shall have been covered.

If there is any profit upon the annual final accounting of this bank, the profit shall first be applied to the payment of all taxes and to cover the loss in the past years according to law. Thereafter, thirty percent (30%) of the remaining amount shall be appropriated as the legal reserve except when the legal reserve is already equal to the total paid-in capital and, according to business and legal requirements, a special reserve may be set aside or reverse before the balance be submitted by the board of directors. In which the board of directors will consider the business environment, the need of development and based upon the principle that the cash dividends should not be lower than one third of the surplus dividends of the year, proposed share dividends to the general shareholders meeting and distribute the share dividends and bonus in accordance with the resolution adopted by the meeting of shareholders.

If the legal reserve is less than the total capital or ratio of regulatory capital to risk weighted assets is less than the level as prescribed by the Banking Law, the maximum distribution of profit in cash shall be made in accordance with the Banking Law and the regulations of the central regulatory agency.

## **Chapter Nine Supplemental Provisions**

#### Article 43 (Liability insurances)

This bank may contract liability insurances against the compensation liability legally incurred by directors, supervisors and the major employees when they perform duties of this bank.

#### Article 44 (Items for authorization)

The board of directors is authorized to prescribe separately regulations governing the organization of this bank, the detailed statement of the levels of responsibility of offices and other important rules and regulations.

#### Article 45 (Matters not dealt with)

Matters not dealt with by the present Articles of Incorporation shall be handled in accordance with the provisions of the Banking Law, the Financial Holding Company Act, the Company Law and the relevant laws and regulations.

#### Article 46 (Approval of articles)

The present Articles of Incorporation shall be implemented upon being adopted by the meeting of shareholders, and submitted for the approval by resolutions of the board of directors of Hua Nan Financial Holdings Co., Ltd.

#### Article 47 (History of amendments)

The present Articles of Incorporation was adopted at the General Meeting of Shareholders for the establishment on February 22, 1947. 1st revision was made on May 3, 1947. 2nd revision was made on November 17, 1948. 3rd revision was made on October 25, 1949. 4th revision was made on February 21, 1950. 5th revision was made on June 23, 1950. 6th revision was made on February 24, 1951. 7th revision was made on February 23, 1952. 8th revision was made on February 26, 1955. 9th revision was made on February 25, 1959. 10th revision was made on February 25, 1960. 11th revision was made on February 25, 1961. 12th revision was made on February 26, 1964. 13th revision was made on February 25, 1967. 14th revision was made on February 24, 1968. 15th revision was made on March 15, 1969. 16th revision was made on March 18, 1971. 17th revision was made on September 20, 1972. 18th revision was made on September 25, 1974. 19th revision was made on September 25, 1975. 20th revision was made on September 23, 1976. 21st revision was made on September 17, 1980. 22nd revision was made on September 17, 1981. 23rd revision was made on September 15, 1982. 24th revision was made on September 27, 1985. 25th revision was made on October 27, 1988. 26th revision was made on December 13, 1989. 27th revision was made on September 29, 1990. 28th revision was made on October 21, 1991. 29th revision was made on November 28, 1992. 30th revision was made on November 30, 1993. 31st revision was made on October 15, 1994. 32nd revision was made on November 16, 1996. 33rd revision was made on September 27, 1997. 34th revision was made on April 7, 1998. 35th revision was made on September 24, 1998. 36th revision was made on June 3, 2000. 37th revision was made on May 18, 2001. 38th revision was made on May 19, 2003. 39th revision was made on December 29, 2003. 40th revision was made on August 16, 2004. 41st revision was made on June 1, 2006. 42nd revision was made on November 27, 2006. 43rd revision was made on April 27, 2007. 44th revision was made on April 27, 2009. 45th revision was made on May 31, 2010. 46th revision was made on May 30, 2011. 47th revision was made on October 31, 2011. 48th revision was made on February 29, 2012. 49th revision was made on May 28, 2012. 50th revision was made on May 27, 2013. 51st revision was made on May 26, 2014. 52nd revision was made on September 30, 2015. 53rd revision was made on March 28, 2016. 54th revision was made on September 26, 2016. 55th revision was made on August 28, 2017. 56th revision was made on September 25, 2017. 57th revision was made on May 28, 2017. 58th revision was made on July 30, 2018. 59th revision was made on May 27, 2019. 60th revision was made on August 26, 2019. 61st revision was made on May 25, 2020. 62nd revision was made on September 28, 2020, which shall become effective from October 31, 2020. 63rd revision was made on May 24, 2021.