

**Yuanta Financial Holding Company**  
**Articles of Incorporation**

**Chapter 1: General Provisions**

- Article 1** The Company is organized with the permission of the Taiwan government and in accordance with the *Financial Holding Company Act, Company Act* and other laws and regulations in order to improve its economic scale and achieve consolidated operating efficiency.
- Article 2** The Company is named “Yuanta Financial Holding Company, Ltd.” and the English name is “Yuanta Financial Holding Company, Ltd.”
- Article 3** The Company has its head office in Taipei City. If necessary, it may be subject to the resolution of the board of directors and submitted to the competent authorities for approval to establish branches in other locations in Taiwan or abroad.
- Article 4** The Company’s announcements shall be published in a newspaper or electronic newspaper unless otherwise required by the competent authorities.

**Chapter 2: Business Activities**

- Article 5** The Company’s business is in the H801011 financial holding company industry.
- Article 6** The Company’s scope of business is as follows:
1. The Company may invest in the following enterprises:
    - (1) Financial holding company
    - (2) Banking
    - (3) Securities Finance
    - (4) Credit card
    - (5) Trust
    - (6) Insurance
    - (7) Securities
    - (8) Futures
    - (9) Venture capital
    - (10) Investment in foreign financial institutions approved by the competent authorities.

(11) Other businesses related to financial operation as determined by the competent authorities.

2. Management of the investee business in the preceding paragraph.
3. The Company may apply to the competent authorities for approval to invest in businesses other than those listed in Paragraph 1, but may not participate in the operation of such businesses.
4. Other related business approved by the competent authorities.

**Article 7** The Company specializes in investment and its total amount of investment in other businesses is not subject to the limit of forty percent (40%) of the Company's paid-up capital under Article 13 of the *Company Act*.

### **Chapter 3: Capital Stock**

**Article 8** The total capital of the Company is set at NT\$180 billion, divided into 18 billion shares with a par value of NT\$10 per share, which are authorized to be issued by the board of directors in several tranches, some of which may be preferred shares.

**Article 8-1** The rights and obligations of the Company's preferred shares and other significant terms of issuance are as follows:

1. If there is any earnings in the final accounts of each year, the Company shall pay tax and make up for the deficit of the previous years in accordance with the law. If there is still any remaining balance, the Company shall make a legal reserve, a special reserve or a reversal of the special reserve in accordance with the law and then distribute first the dividends of the preferred shares in respect of the remaining balance of the current year.
2. The dividend for preferred shares is limited to an annual rate of eight percent (8%), calculated by the issuance price per share, and the dividend may be one-time distributed in cash each year. After the financial statements are approved by the regular shareholders meeting, the board of directors will determine the base date to pay the distributable dividends of the previous year. The distribution amount of dividends in the year of issuance and recovery is calculated based on the number of the actual issuance days of the current year.
3. The Company has discretion over the dividend distribution of preferred shares. The Company may decide not to distribute dividends of

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preferred shares and will not constitute an event of default if there are no earnings in the annual accounts or the earnings are insufficient to distribute dividends of preferred shares, or the distribution of dividends of preferred shares will cause the capital adequacy ratio to fall lower than the minimum requirement by law or competent authorities or other necessary consideration. If the preferred shares issued are non-cumulative, their undistributed dividends or the deficit dividends after distribution will not be accumulated as deferred payment for subsequent years with earnings.

4. Shareholders of preferred shares shall not participate in the distribution of ordinary shares with respect to earnings and capital surplus as cash and capital allocation except for receiving the dividends as described in Subparagraph 2 of this paragraph.
5. The distribution of the Company's residual property by the shareholders of preferred shares shall be made in priority to the shareholders of ordinary shares and in the same compensation order issued by the Company for various shareholders of preferred shares. All of them shall be subordinate to the general creditors to the extent that the amount does not exceed the issuance amount of the preferred shares.
6. Shareholders of preferred shares do not have voting or election rights in the regular shareholders meetings but may be elected as directors of the board. However, they shall have voting rights in the preferred shareholders meetings or the shareholders meetings that involve the rights and obligations of shareholders of preferred shares.
7. The Company may issue convertible preferred shares or non-convertible preferred shares. For convertible preferred shares, no conversions are allowed within one year from the date of issuance. The board of directors is authorized to determine the conversion period in the actual issuance conditions. After convertible preferred shares are converted into ordinary shares, its rights and obligations are the same as ordinary shares. The distribution of the annual dividends for the convertible preferred shares shall be calculated based on the proportion between the number of the actual issuing days and the total number of days of that year. Should any shares be converted into the ordinary shares before the ex-dividend record date of dividend distribution of each year, the shareholders shall not have the right to the distribution of the dividends of preferred shares in the current and following years but may

participate in the distribution of ordinary shares earnings and capital surplus.

8. If the preferred shares have no maturity date, the Company may repossess the preferred shares, in whole or in part, at the original actual issuance price at any time from the second day after the expiration of seven years. The unrecovered preferred shares shall continue to be subject to the rights and obligations of the various issuance terms prescribed in this article. In the year of repossessing the preferred shares, the dividends that shall be distributed up to the repossession date shall be distributed in accordance with the number of the actual issuance days of that year, if the shareholders meeting of the Company decides to distribute dividends.
9. If the Company issues preferred shares with maturity, the term of issue shall not be shorter than seven years, and preferred shareholders have no right to request the Company to repossess such shares. Upon maturity or from the second day after the expiration of seven years from the date of issuance, the Company may repossess the shares in cash, by issuing new shares for mandatory conversion, or by other means permitted by law in accordance with the issuance price and the relevant issuance method. In the event that the Company is unable to recover all or part of the preferred shares due to objective factors or force majeure, the unrecovered preferred shares shall continue to be issued in accordance with the terms and conditions of the issuance method until such time as the Company has recovered them in full.
10. When the dividends of preferred shares are distributed, the distribution order shall be determined according to the order in which the preferred shares are issued

At the time of the actual issuance, the board of directors is authorized to determine the name, date of issuance, and specific conditions of the preferred shares in accordance with the Company's Articles of Incorporation and relevant laws and regulations, depending on the capital market conditions at the time of issuance and the investors' willingness to subscribe.

**Article 9** The Company's shares are issued in accordance with the *Company Act* and other relevant laws and regulations.

Shares issued by the Company are exempt from the printing of stock certificates, as are other negotiable securities, but should be registered with

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a centralized securities depository in accordance with the regulations of that institution.

**Article 10** The handling of the Company's stock affairs, unless otherwise provided by laws and securities regulations, shall be conducted in accordance with the *Regulations Governing the Administration of Shareholder Services of Public Companies*.

**Article 11** The transfer of shares shall be suspended within sixty (60) days prior to the convening date of each regular shareholders meeting, within thirty (30) days prior to the convening date of the special shareholders meeting, or within five (5) days prior to the target date fixed by the Company to distribute dividends, bonuses, or other benefits.

#### **Chapter 4: Shareholders Meeting**

**Article 12** Shareholders meetings of the Company are of two kinds: regular meeting and special meeting. Unless otherwise stipulated by laws and regulations, the board of directors shall convene the meetings in accordance with the law. Regular meetings shall be convened within six (6) months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.

**Article 12-1** Shareholders meetings of the Company may be held by video conference or other means announced by the competent authorities.

**Article 13** The Company's shareholders are entitled to one vote for each share held. Unless otherwise provided for in the law, a meeting of shareholders shall proceed only if attended by shareholders representing more than one-half of the total outstanding capital stock of the Company. Resolutions of a shareholders meeting shall be made at the meeting with the concurrence of a majority of the votes held by the shareholders present at the meeting.

**Article 14** In the event that a shareholder is unable to attend the shareholders meeting in person, he or she may appoint a proxy to attend the meeting by producing a proxy form issued by the Company specifying the scope of the authority. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent (3%) of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall

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not be included in the calculation.

The proxy form in the preceding paragraph shall be delivered to the Company five (5) days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

**Article 15** Unless otherwise stipulated by laws and regulations, the shareholders meeting shall resolve the following items:

1. To determine and cooperate with the establishment of the audit committee and to amend the Company's Articles of Incorporation.
2. Election of directors.
3. Recognition of the books of accounts prepared by the board of directors and the report of the audit committee, and resolutions of the proposals to distribute earnings or of deficit appropriations.
4. Resolutions on the increase or decrease of capital.
5. Other important matters and matters that should be decided by the shareholders meeting according to laws and regulations.

#### **Chapter 5: Board of Directors and Directors of the Board**

**Article 16** The Company establishes a board of directors consisting of nine (9) to fifteen (15) directors who are elected by the shareholders meeting in accordance with the law.

**Article 16-1** The Company has established three (3) to five (5) independent directors from among the directors in the preceding article, and the number of independent directors shall not be less than one-third of the number of directors.

In the election of directors, each share shall have the same number of votes as the number of directors to be elected, and shareholders may give all of such votes to one candidate or distribute them among several candidates. The persons receiving the largest numbers of votes represented on the recovered ballots shall be elected directors. Independent directors and non-independent directors shall be elected together, but the number of elected seats shall be calculated separately.

**Article 16-2** The Company adopts a candidate nomination system for the election of directors (including independent directors). Shareholders holding more than

one percent (1%) of the total number of issued shares and the board of directors may propose a list of candidates for directorship and submit it to the shareholders meeting, and the shareholders shall elect the candidates from the list.

All matters relating to the handling of nominations and announcements of candidates for directorship shall be managed in accordance with the relevant laws and regulations of the *Company Act* and *Securities and Exchange Act*.

**Article 16-3** The Company's audit committee is composed of all independent directors in accordance with Article 14-4 of the *Securities and Exchange Act*. The exercise of the powers and functions of the audit committee and its members and related matters shall be governed by the relevant laws and regulations under the *Securities and Exchange Act*.

**Article 16-4** The Company establishes a remuneration committee and its organizational rules are agreed upon by the board of directors in accordance with relevant laws and regulations.

**Article 16-5** The Company may establish other functional committees under the board of directors. The number of members, term of office, functions, and powers of the functional committees shall be stipulated in the organizational rules or charter of each functional committee and shall be implemented upon the resolution of the board of directors.

**Article 17** The total number of shares held by all directors of the board of the Company shall not be less than the number prescribed by the competent authorities.

**Article 18** The directors of the board are elected for a three-year term and may serve consecutive terms if re-elected. A director whose term of office expires before the newly-elected director takes office is extended until the time the newly-elected director takes office.

The Company may, by resolution of the board of directors, purchase liability insurance for its directors.

**Article 19** The board of directors shall not separately establish a managing director. One director shall be elected from among the directors as chairperson and one director shall be elected from among the directors as vice chairperson. In addition to the remuneration provided for in Article 33, the chairperson's salary shall be paid at a rate not exceeding 1.5 times the salary of the president/general manager, and the vice chairperson's salary shall be paid at a rate not exceeding 1.25 times the salary of the president, which shall be

determined by the resolution of the board of directors.

Other remuneration and benefits of the chairperson and vice chairperson shall be paid in accordance with the relevant regulations of the Company or by reference to industry standards. The severance pay or retirement pension of the chairperson and vice chairperson shall be authorized by the board of directors in accordance with its resolution based on the chairperson and vice chairperson's participation in company operation, contribution value, and peer standards.

The board of directors shall be authorized to determine the remuneration of the independent directors on the basis of the prevailing standards in the industry. However, independent directors may not participate in the distribution of directors' remuneration in Article 33.

**Article 20** Internally, the chairperson is the chairperson of the shareholders meeting and board of the directors, and externally the chairperson represents the Company. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson; if there is no vice chairperson or if the vice chairperson also is on leave or for any reason is unable to exercise the powers of the chairperson, the chairperson shall designate a director to represent him or her; if the chairperson does not make such a designation, the directors shall nominate among themselves one director to exercise the powers of the chairperson.

**Article 21** The directors form a board of directors. The meeting of the board of directors shall be convened by the chairperson of the board of directors unless otherwise stipulated by laws and regulations. Except as otherwise provided by law, the resolutions of the board shall be made with the presence of a majority of the directors and the consent of a majority of the directors present.

The notice of the convening of the board of directors may be faxed or emailed.

**Article 22** Directors of the board shall attend board meetings in person. If for any reason a director cannot attend a meeting, that director may issue a proxy form authorizing another director to act on behalf of the absent director. However, a director may act as the proxy of only one other director.

**Article 23** The powers of the board of directors are as follows:

1. Approval of the Company's business objectives and plans.



2. Approval of the Company's budget and review of final accounting results.
3. Approval of the Company's organizational rules.
4. Approval of the Company's major regulations.
5. Planning of capital increase and decrease of the Company and verification of stock issuance.
6. Drafting of proposals on the Company's distribution of earnings or make-up of losses.
7. Resolutions on the issuance of the Company's corporate bonds.
8. Resolutions on the plans to buy back the Company's shares.
9. Appointment and removal of the Company's management personnel, and financial, accounting, risk management, legal compliance, and internal audit officials.
10. Approval of the acquisition or disposal of major assets.
11. Determination of the dates of the Company's regular shareholders meetings and special shareholders meetings.
12. Determination of managers' performance evaluation standards and remuneration standards, and the directors' remuneration structure and system.
13. Other matters stipulated by laws and regulations or authorized by the shareholders meeting.

**Article 24** (deleted)

**Article 25** (deleted)

**Article 26** (deleted)

**Article 27** The person in charge of the Company is legally entitled to hold a position of a subsidiary.

**Article 28** The Company's directors of the board are paid for their travel fees and meeting attendance fees in accordance with industry standards.

**Article 28-1** (deleted)

## **Chapter 6: Management Personnel**

**Article 29** The Company establishes a president/general manager who upholds the

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decisions of the board of directors to manage all the Company's business, and may be authorized by the board of directors to execute business externally on behalf of the Company.

The Company may establish a number of persons at the level of vice president or above to assist the president in handling the Company's business.

The Company's board of directors establishes one auditor-general, who occupies a position equivalent to that of a vice president, and manages all audit matters with an independent and detached spirit. One chief secretary of the board of directors is established; the chief secretary is responsible for board-related matters. One chief risk officer is established to be responsible for relevant risk control work of various businesses.

The president, auditor-general, chief secretary, and chief risk officer are nominated by the chairperson of the board of directors and are appointed and removed by the approval of the board of directors.

**Article 30** The Company may establish departments in accordance with its business needs, and assign one person in charge of managing each department.

The personnel at the level of vice president and department heads are recommended by the president for appointment and removal by the chairperson of the board of directors with the approval of the board of directors.

**Article 31** Managers shall have the power to act on behalf of the Company in the manner necessary for the business of the Company, except for the powers and functions conferred on the shareholders meeting and the board of directors by laws and regulations and the Articles of Incorporation of the Company. The scope of the managers' authority shall be in accordance with the rules and regulations of the Company.

## **Chapter 7: Final Accounting and Distribution of Earnings**

**Article 32** The Company's fiscal year begins on January 1 and ends on December 31 of each year. After the end of each fiscal year, the board of directors shall prepare and submit to the regular shareholders meeting for recognition in accordance with the statutory procedures for each of the following reports and statements:

1. Report on operations.

2. Financial statements.
3. Proposals concerning distribution of earnings or making up losses.

**Article 33** If the Company has profit at the year's final accounting (namely, the earnings before tax prior to deduction of employees' and directors' remuneration), it shall reserve an amount sufficient to cover losses, if any. The employees' remuneration is reserved at the range from decimal zero one percent (0.01%) to decimal five percent (0.5%), and the directors' remuneration no more than decimal nine percent (0.9%), from the remainder, if any. The distribution of employees' remuneration and directors' remuneration shall be handled in accordance with the relevant distribution standards set by the board of directors. When remuneration to employees is distributed in the form of stock or in cash, it shall also be distributed to employees of affiliated companies that meet certain conditions.

The board of directors shall determine the certain conditions referred to in the preceding paragraph.

**Article 33-1** If the Company has earnings in the current year's final accounts, it shall first be subject to income tax of profit-seeking enterprise and make up for prior years' losses, and then set aside legal reserve, reserve or reverse special reserve. And the remaining balance, together with undistributed earnings from prior years, shall be submitted by the board of directors as distribution proposals to the regular shareholders meeting for resolution of shareholders' dividend distribution.

When the legal reserve in the preceding paragraph has reached the amount of the Company's paid-in capital, it may no longer be set aside.

**Article 34** In order to continuously expand the scale and increase profitability, the Company adopts the residual dividend policy in line with the Company's long-term financial planning and takes into account relevant regulations. Dividends are distributed in accordance with the principle that after the annual final earnings has been calculated in accordance with the provisions of the preceding article, the Company will retain the necessary funds in accordance with the Company's operating plan. The remainder will be distributed as cash dividends, provided that the cash dividends are not less than forty percent (40%) of the distributable amount of the current year's earnings.

## Chapter 8: Supplementary Provisions

- Article 35** The organizational rules and important regulations of the Company shall be laid down separately by the board of directors.
- Article 36** In regard to all matters not provided for in these Articles of Incorporation, the *Financial Holding Company Act*, *Company Act*, and other relevant laws and regulations shall govern.
- Article 37** These Articles of Incorporation were established on December 10, 2001, and implemented after passage by the founders' conference or shareholders meeting, likewise in the case of revisions.

*First revision on May 24, 2002*  
*Second revision on June 6, 2003*  
*Third revision on June 11, 2004*  
*Fourth revision on June 29, 2005*  
*Fifth revision on December 28, 2006*  
*Sixth revision on June 29, 2007*  
*Seventh revision on June 18, 2010*  
*Eighth revision on June 28, 2011*  
*Ninth revision on June 21, 2012*  
*Tenth revision on October 13, 2015*  
*Eleventh revision on June 16, 2016*  
*Twelfth revision on June 8, 2017*  
*Thirteenth revision on June 15, 2018*  
*Fourteenth revision on June 14, 2019*  
*Fifteenth revision on June 9, 2020*  
*Sixteenth revision on July 8, 2021*  
*Seventeenth revision on June 10, 2022*  
*Eighteenth revision on June 7, 2024*