

# **Rexon Industrial Corp., Ltd.**

## **Articles of Incorporation**

### Chapter 1 General Provisions

Article 1: The Company is founded in accordance with the requirements of Company Limited by Shares in the Company Act and named “力山工業股份有限公司” in Chinese and “REXON INDUSTRIAL CORPORATION LTD.” in English. .

Article 2: The Company is engaged in the following businesses:

1. C305010 Printing, Dyeing, and Finishing
2. C401030 Tanning and Dressing of Leather; Dressing and Dyeing of Fur
3. C501060 Manufacture of Wooden Containers
4. C501990 Manufacture of other products of wood
5. C801060 Synthetic Rubber Manufacturing
6. C801100 Synthetic Resin and Plastic Manufacturing
7. C802200 Coating, Paint, Dye and Pigment Manufacturing
8. C805010 Manufacture of Plastic Sheets, Pipes and Tubes
9. C805030 Plastic Daily Necessities Manufacturing
10. C805050 Industrial Plastic Products Manufacturing
11. C805060 Plastic Leathers Products Manufacturing
12. C805070 Reinforced Plastic Products Manufacturing
13. C805990 Other Plastic Products Manufacturing
14. C901070 Cutting, Shaping and Finishing of Stone
15. CA01030 Iron and Steel Casting
16. CA01090 Aluminum Casting
17. CA01100 Aluminium Rolling, Drawing and Extruding
18. CA02010 Manufacture of Metal Structure and Architectural Components
19. CA02030 Screw, Nut and Rivet Manufacturing
20. CA02040 Spring Manufacturing
21. CA02060 Metal Containers Manufacturing
22. CA02090 Metal Wire Products Manufacturing
23. CA02990 Other Metal Products Manufacturing
24. CB01010 Mechanical Equipment Manufacturing
25. CB01990 Other Machinery Manufacturing
26. CB01030 Pollution Controlling Equipment Manufacturing
27. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
28. CC01110 Computer and Peripheral Equipment Manufacturing
29. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
30. CC01040 Lighting Equipment Manufacturing
31. CD01030 Motor Vehicles and Parts Manufacturing
32. CD01040 Motorcycles and Parts Manufacturing
33. CD01050 Bicycles and Parts Manufacturing
34. CE01010 General Instrument Manufacturing
35. CE01030 Optical Instruments Manufacturing
36. CH01010 Sporting Goods Manufacturing
37. CI01020 Rug and Felt Manufacturing
38. CK01010 Footwear Manufacturing
39. CN01010 Furniture and decoration manufacturing
40. CP01010 Hand tool manufacturing
41. CQ01010 Mold and Die Manufacturing
42. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
43. F106020 Wholesale of Daily Commodities
44. F113100 Wholesale of Pollution Controlling Equipments
45. F113060 Wholesale of Measuring Instruments
46. F401010 International Trade
47. H701040 Specific Area Development

48. H701060 New Towns, New Community Development

49. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: Where the Board of Directors consents, the Company may invest in other companies to the amount more than 40% of the paid-in capital.

Article 3: The Company sets up the head office in Taichung City and, if necessary, may establish branches domestically and overseas upon resolution of the Board of Directors.

Article 4: The public announcements of the Company are made in accordance with Article 28 of the Company Act.

## Chapter 2 Shares

Article 5: The Company has authorized capital of NT\$3.8 billion in 380 million shares. Each share has a par value of NT\$10. The Board of Directors is authorized to issue the shares over multiple offerings as deemed necessary to support business activities.

Article 6: The shares of the Company shall be registered and affixed with the signatures or personal seals of the director representing the Company. The shares of the Company may only be issued after being certified by the competent authority or a registration institution approved by the competent authority for the issuance thereof. The Company may be exempted from printing any share certificate for the shares issued, but shall register such issued shares with a centralized securities depository enterprise.

Article 7: The assignment, transfer, loss, damage, split, or exchange of the Company's shares or creation of pledge thereof shall be dealt with in accordance with the Company Act as well as related laws and regulations.

Article 8: The transfer of shares shall cease within 60 days prior to the convening date of an annual shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the record date fixed by the Company for distribution of dividends, bonus or other benefits.

## Chapter 3 Shareholders' Meeting

Article 9: There are annual and special shareholders' meetings. The annual shareholders' meeting is held by the Board of Directors within six months after the end of a fiscal year, while the special shareholders' meeting is held in accordance with applicable laws whenever necessary.

Article 9-1: The shareholders' meeting of the Company may be convened in the form of visual communication network or in other ways promulgated by the central competent authority.

Article 10: The date and place of and the reason for the convention shall be communicated to the shareholders thirty days prior to the convention of the annual shareholders' meeting and fifteen days prior to the convention of the special shareholders' meeting.

With the consent of the addressee, the meeting notice of the shareholders' meeting may be delivered in electronic form.

Article 11: Any shareholder who is unable to attend the shareholders' meeting in person for whatever reasons may appoint a proxy to attend the meeting by executing a power of attorney in accordance with Article 177 of the Company Act.

When a shareholder is unable to attend the shareholders' meeting in person for whatever reasons, the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" shall apply.

Article 12: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, one of the directors shall be appointed by the Chairman to act as the chair. Where the Chairman does not make a designation, the remaining directors shall elect one among themselves to perform the Chairman's duties on his/her behalf.

If a shareholders' meeting is convened by a party with the convening power other than the Board of Directors, the chair shall be determined in accordance with Article 182-1 of the Company Act.

Article 13: Except as otherwise specified in laws and regulations, a shareholder of the Company shall be entitled to one vote for each share held.

Article 14: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act or

other laws and regulations, be adopted by a majority vote of the shareholders present at the meeting who represent more than one-half of the total number of the issued shares.

As specified by the competent authority, the shareholders may exercise their voting rights by electronic means. A shareholder who exercises his/her voting right by electronic means shall be deemed to have attended the shareholders' meeting in person. The relevant matters shall be handled according to the laws and regulations.

Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting, and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of the meeting minutes shall be subject to the Company Act. The meeting minutes shall be retained in the Company together with the attendance book for the shareholders present at the meeting and the power of attorney of the proxy.

#### Chapter 4 Director and Audit Committee

Article 16: The Company assigns 5 to 9 directors that serve a term of three years. All the directors shall be elected from persons of adequate capacity during shareholders' meetings, and may be re-elected for consecutive terms. The number of directors shall include no fewer than three independent directors that represent no less than one-fifth of the Board members. The election of the directors is held under the candidates nomination system specified in the Company Act. The matters related to the implementation of the system is subject to the Company Act, Securities and Exchange Act and related laws and regulations. After election, the Company may take out liability insurance for the directors upon resolution of the Board of Directors. The Company may pay remuneration to directors for their implementation of the Company's duties regardless of the operating profit and loss. The Board of Directors is authorized to determine the remuneration for the directors based on their individual involvement in and contribution to the Company's operations without exceeding the highest grade of the pay scale specified in the remuneration standard. If there are earnings, the Company may distribute it to remuneration pursuant to Article 25 of the Article of Incorporation.

Article 17: The Board consists of directors. A Chairman shall be elected among Board members at a Board meeting with more than two-thirds of directors present, and with the consent of more than half of all the directors present at the meeting. The Board of Directors deal with all the matters of the Company pursuant to laws, regulations, Articles of Incorporation and the resolutions or the Shareholders' meeting and Board meeting.

Article 18: The Board meeting shall be called by the Chairman. Except as otherwise specified by the Company Act or the Articles of Incorporation, the resolutions of the Board of Directors shall be adopted by a majority of the present directors at a meeting attended by more than half of all the directors. Any director who is unable to be present at the meeting in person for whatever reasons may appoint another director to attend the meeting on his/her behalf by issuing a proxy. The use of the proxy is subject to related laws and regulations.

For convention of a Board meeting, a notice shall be delivered to each director seven days prior to the commencement of the meeting. However, a Board meeting may be convened at any time in case of emergency.

The aforementioned notice for a Board meeting shall contain the reasons for the convention and may be effected in writing or by fax or e-mail.

Article 19: The duties and powers of the Board of Directors are as follows:

- (1) Planning of business plans.
- (2) Determination of earnings distribution
- (3) Resolution of increase/decrease of capital.
- (4) Review and approval of important regulations, rules and contracts.
- (5) Appointment and dismissal of top managerial officers of the Company.
- (6) Employment of advisors for the Company.
- (7) Establishment and dissolution of branches.
- (8) Review and approval of budgets and final accounts.
- (9) Review and approval of trading of properties and investment in other businesses.
- (10) Decision on other significant matters.

Article 20: The Company's Board of Directors may set up other functional committees in accordance with laws.

Article 21: Discussions at a Board meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the directors present at the meeting, and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes shall be retained in the Company together with the attendance book for the shareholders present at the meeting and the power of attorney of the proxy.

Article 22: The Company has the Audit Committee set up in accordance with Article 14-4 of the Securities and Exchange Act. The Committee is comprised of all the independent directors and one of them acts as the convener. At least one of the Committee members shall be specialized in accounting or finance. The Audit Committee and its members exercise the power of supervision pursuant to the Company Act, Securities and Exchange Act and other laws and regulations.

Article 23: The Company may appoint manager officers. Their appointment, dismissal and remuneration shall be handled in accordance with the requirements of Article 29 of the Company Act.

#### Chapter 5 Accounting

Article 24: Upon close of each fiscal year, the Board of Directors shall prepare following documents and submit them to the annual shareholders' meeting for ratification pursuant to statutory procedures:

(1) Business report.

(2) Financial statements.

(3) Earnings distribution or loss make-up proposal.

Article 25: If there is a profit in a fiscal year, the Company shall allocate at least 5% of the profit as the remuneration to the employees and no higher than 5% as the remuneration to the directors. However, if the Company has accumulated loss, an amount used to cover the loss shall be set aside first. The employees to which remuneration is paid in shares (treasury or new shares) or cash may include those of the controlled or affiliated companies who meet certain criteria.

If there are earnings for a year, the Company shall first pay taxes and make up previous losses, followed by setting aside 10% of the earnings as legal reserve; however, no further provision is needed when legal reserve has accumulated to the same amount as the Company's paid-in capital. A portion of the earnings shall be set aside as special reserve if this is required by the operations of the Company or laws and regulations. The remaining earnings, if any, shall be combined with the undistributed earnings at the beginning of the period, and the Board of Directors shall draft an earnings distribution proposal and submit it to the shareholders' meeting for approval.

Where all or part of the distributable dividends and bonuses are distributed in cash, the Board of Directors is authorized to adopt the distribution with more than two-thirds of the directors present at the meeting and with the consent of more than half of all attending directors, and report the distribution to the shareholders' meeting.

Article 25-1: The Company's dividend policy is adopted in consideration of the current and future development plans, investment environment, funding requirements and domestic and international competition status as well as the interests of the shareholders. The amount of dividends and bonuses allocated to shareholders shall not be less than 20% of the distributable earnings in a given year. Dividends and bonuses may be paid in shares or cash, and cash dividends shall not fall below 20% of total dividends allocated to shareholders.

Article 25-2: If the Company distributes the legal reserve (limited to the portion of the legal reserve which exceeds 25 percent of the paid-in capital may be distributed) and all or part of the capital reserve subject to the Company Act in cash, the Board of Directors is authorized to determine the distribution by a majority of the Directors at a meeting attended by two-thirds or more of the total number of Directors, and then report it to the shareholders' meeting.

#### Chapter 6 Supplemental Provisions

Article 26: The organizational regulations of the Company and their enforcement rules shall be prescribed by the Board of Directors separately.

Article 27: The Company may provide guarantees to external parties if required by business.

Article 28: Any matters not specified in these Articles of Incorporation shall be governed by the Company Act and other laws and regulations.

Article 29: The Articles of Incorporation was established on April 13, 1973. They were submitted to the competent authority and brought into force after being approved thereby and registered.

The 1st amendment was on December 26, 1975.

The 2nd amendment was on November 6, 1976.

The 3rd amendment was on May 18, 1978.

The 4th amendment was on May 20, 1980.

The 5th amendment was on January 15, 1982.

The 6th amendment was on March 10, 1982.

The 7th amendment was on December 10, 1983.

The 8th amendment was on January 16, 1984.

The 9th amendment was on April 30, 1984.

The 10th amendment was on July 5, 1985.

The 11th amendment was on September 1, 1987.

The 12th amendment was on August 1, 1989.

The 13th amendment was on October 4, 1989.

The 14th amendment was on May 25, 1990.

The 15th amendment was on April 18, 1991.

The 16th amendment was on January 10, 1992.

The 17th amendment was on March 25, 1992.

The 18th amendment was on March 27, 1993.

The 19th amendment was on April 19, 1994.

The 20th amendment was on June 9, 1995.

The 21st amendment was on May 30, 1996.

The 22nd amendment was on June 11, 1997.

The 23rd amendment was on June 5, 1998.

The 24th amendment was on June 9, 1999.

The 25th amendment was on June 21, 2000.

The 26th amendment was on June 26, 2002.

The 27th amendment was on May 20, 2005.

The 28th amendment was on June 14, 2006.

The 29th amendment was on June 13, 2007.

The 30th amendment was on June 19, 2008.

The 31st amendment was on June 29, 2010.

The 32nd amendment was on June 19, 2012.

The 33rd amendment was on May 31, 2016.

The 34th amendment was on June 18, 2020.

The 35th amendment was on May 30, 2023.

Rexon Industrial Corp., Ltd.  
Chairman: Wang Kuan-Hsiang