

# Y.C.C. Parts MFG Co., Ltd.

## Articles of Incorporation

### Chapter I    General

Article 1:    The Company is duly incorporated in accordance with the regulations regarding corporations in the Company Act and bears the title of Y.C.C. Parts MFG Co., Ltd.

Article 2:    The operating businesses are listed as follows:

I.	CB01010	Mechanical Equipment Manufacturing
II.	CB01990	Other Machinery Manufacturing
III.	CD01030	Automobiles and Parts Manufacturing
IV.	F114010	Wholesale of Motor Vehicles
V.	F114030	Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
VI.	F214010	Retail Sale of Motor Vehicles
VII.	F214030	Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
VIII.	CD01040	Motorcycles and Parts Manufacturing
IX.	F114020	Wholesale of Motorcycles
X.	F214020	Retail Sale of Motorcycles
XI.	CD01050	Bicycles and Parts Manufacturing
XII.	F114040	Wholesale of Bicycles and Component Parts Thereof
XIII.	F214040	Retail Sale of Bicycles and Component Parts Thereof

XIV.	F401010	International Trade
XV.	H201010	Investment
XVI.	CA04010	Surface Treatments
XVII.	C805050	Industrial Plastic Products Manufacturing
XVIII.	C303010	Manufacture of Non-woven Fabrics
XIX.	F104110	Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
XX.	F204110	Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
XXI.	CF01011	Medical Materials and Equipment Manufacturing
XXII	F108031	Wholesale of Medical Materials and Equipment
XXIII.	F208031	Retail Sale of Medical Materials and Equipment
XXIV.	CZ99990	Manufacture of Other Industrial Products Not Elsewhere Classified
XXV.	CP01010	Hand Tools Manufacturing
XXVI.	CQ01010	Mold and Die Manufacturing
XXVII.	E603050	Automatic Control Equipment Engineering
XXVIII.	C805020	Manufacture of Plastic Films and Bags
XXIX.	F107190	Wholesale of Plastic Films and Bags
XXX.	F207190	Retail Sale of Plastic Films and

		Bags
XXXI.	C805990	Other Plastic Products Manufacturing
XXXII.	C103050	Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
XXXIII.	F102170	Wholesale of Food and Grocery
XXXIV.	F203010	Retail Sale of Food, Grocery and Beverage
XXXV.	C114010	Food Additives Manufacturing
XXXVI.	F121010	Wholesale of Food Additives
XXXVII.	F221010	Retail Sale of Food Additives
XXXVIII.	C199990	Manufacture of Other Food Products Not Elsewhere Classified
XXXIX.	C802100	Cosmetics Manufacturing
XL.	F108040	Wholesale of Cosmetics
XLI.	F208040	Retail Sale of Cosmetics
XLII.	F107990	Wholesale of Other Chemical Products
XLIII.	F207990	Retail Sale of Other Chemical Products
XLIV.	C110010	Beverage Manufacturing
XLV.	F102040	Wholesale of Non-alcoholic Beverages
XLVI.	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may provide endorsement and guarantee due to business needs without being subject to Article 16 of the Company Act. Procedures for

Endorsement and Guarantee and any amendments hereto, shall be implemented after approval at the shareholders' meetings.

- Article 4: The total amount of the Corporation's reinvestment in other businesses shall not be subject to the restrictions of not more than 40% of the Corporation's paid-up capital as provided in Article 13 of the Company Act. Such matter shall be resolved in accordance with the resolutions of the Board of Directors.
- Article 5: The Company shall be based in Changhua County, Taiwan (R.O.C) and shall be free, upon resolution of the Board of Directors, to set up branch offices at various locations within and outside the territory of Taiwan (R.O.C).
- Article 6: The Company shall make public announcements in accordance with the Company Act and other related laws and regulations.

## **Chapter II Shareholding**

- Article 7: The total amount of the Company's capital stock shall be NT\$ 1 billion, divided into 100 million shares, at par value of NT\$ 10 per share. For shares not yet issued, the Board of Directors is authorized to issue the shares in installments.
- Article 8: The Company's shares shall all be name-bearing share certificates signed by the Directors representing the Company or affixed with seals thereof and shall be duly certified or authenticated by share certificate issuers pursuant to the laws before issuance thereof. After public offering, the Company may issue shares without printing share certificates in a non-physical form. However, the shares shall be registered at the Taiwan Depository & Clearing Corporation.
- Article 9: The renaming for transfer of shares shall be suspended by 60 days before general shareholders' meeting, or 30 days before special shareholders' meeting, or within 5 days before the Company decides to distribute dividends and bonuses or other benefits.
- Article 9-1: The Company's bought-back shares are assigned or transferred to subsidiary and controlling company employees who meet specific requirements. The Board of Directors is delegated to decide on such requirements and methods of transfer.

## **Chapter III Shareholders' Meeting**

- Article 10: The Shareholders' Meeting consists of regular sessions and special sessions. Regular sessions are convened by the Board in accordance with the laws once a year within 6 months after the close of each fiscal year. Special sessions are called for at any time when necessary in accordance with the law.
- Article 10-1: The Company's shareholders' meeting may be held by video conference or other methods announced by the Ministry of Economic Affairs.
- Article 11: Shareholders who are unable to attend the shareholders' meeting in person may appoint a proxy to attend the meeting by providing a signed and sealed proxy

form issued by the Company stating the scope of the proxy's authorization.

Article 12: Except for shares with no voting power as described in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 13: Except otherwise regulated by the laws and regulations, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, representing more than one-half of the total number of voting shares. Pursuant to laws, the Company's shareholders may exercise his/her/its voting power by way of electronic transmission and shall be deemed to have attended the shareholders' meeting in person. Such matters shall be handled in accordance with relevant laws and regulations.

Article 14: When the Company plans to withdraw public offering, such matter shall be submitted to the shareholders' meeting for resolution, and this Article shall stay unchanged during the period when the Company's shares are listed on emerging, TPEx and TWSE stock market.

## **Chapter IV Directors and the Auditing Committee**

Article 15: The Company shall establish 5-9 seats of Directors, each with a term of office for 3 years. Directors shall be elected from a candidate list with legal capacity at the shareholders' meeting and may be eligible for re-election. The Board of Directors is authorized to determine the number of Directors. Among the aforementioned seats of the Directors, there must be at least 3 seats of Independent Directors.

In accordance with Article 192-1 of the Company Act, the elections for Directors of the Company shall be done by nomination system with candidates. The nomination of directors and related announcements shall comply with the Company Act's relevant regulations and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected at the same time to calculate the elected places separately.

Article 16: The Directors shall be organized into the Board. The Board shall elect a Chairman from among the Directors and a vice-chairman when necessary by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall represent the Company externally.

Article 17: In calling a meeting of the Board of Directors, a notice stated with the cause of the meeting shall be given to each Director no later than 7 days prior to the scheduled meeting date. In circumstances of emergency, a Board meeting may be convened by contacting Directors in ways of written notice, e-mails or facsimile. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the designation of a person acting on the Chairman's behalf shall be conducted in accordance with Article 208 of the Company Act.

Article 18: Unless otherwise regulated by the laws and regulations, the Board's resolutions are passed only if more than half of the Board members are present in a meeting, and with more than half of attending Directors voting in favor. In case a Director is unable to attend the Board Meeting in person, he may appoint another director to attend the meeting on his/her/its behalf. A director may accept the appointment to act as the proxy of one other director only.

Article 19: The Company shall pay remuneration to Chairman and Directors for their service rendered regardless of whether the Company operates at a profit or loss. The remuneration payable shall be equivalent to that of the peers in the same industry. If the Company operates at a profit, remuneration may be distributed in accordance with Article 26.

Article 20: The Company may take out liability insurance policies to ensure itself against liabilities that arise due to operational decisions made by directors during their terms of service. All matters regarding the said insurance is determined by the Board of Directors.

Article 21: For the sound supervisory capabilities and robust management capabilities, the Company may establish various functional committees taking into consideration the scale of the Board of Directors and the number of Independent Directors.

The functional committees are direct subordinates to the board of directors, and submit their proposals to the board of directors for resolution.

The Board must approve the rules and regulations of the functional committees of Directors. The said rules and regulations must cover matters include a number of committee members, tenures, duties, rules for meetings, and resources the Company must provide for committee members' rendering of service.

Article 22: The Company has established a Remuneration Committee. The Remuneration Committee must consist of at least one Independent Director. The committee members shall elect the Independent Directors as the convener and chair of committee meetings.

The Remuneration Committee shall provide suggestions to the Board of Directors regarding remuneration to Directors and managerial officers.

The remuneration policy shall never abet Directors and managerial officers in misconducts that exceed the Company's risk appetite for higher remuneration.

Article 23: The Company has established an Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act. The Audit Committee consists of all Independent Directors, one of whom shall be the committee convener, and at least one of whom shall have accounting or financial expertise.

All resolutions of the audit committee meetings shall be approved by more than one-half of all audit committee members. The first Audit Committee is established on the date when the independent director was

first elected as provided in the preceding Article. Since the Audit Committee's establishment, the Audit Committee or the Audit Committee members are responsible for carrying out the duties and responsibilities of supervisors as stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

## **Chapter V     Managerial Officers**

Article 24: The Company may appoint managerial officers. The appointment, discharge and remuneration of the managerial officers shall be decided in accordance with Article 29 of the Company Act.

## **Chapter VI     Accounting**

Article 25: After each accounting period, the Board of Directors shall prepare the following reports and statements, and submit them to the Audit Committee or the committee members for review 30 days prior to the general shareholders' meetings. The Audit Committee shall present review reports regarding the said reports and statements and present them to the general shareholders' meeting for approval.

I. Business report

II. Financial statements

III. Proposal concerning the appropriation of net profits or recovering of losses

Article 26: If the Company operates at a profit, it shall appropriate 1% - 3% as remuneration to employees, distributed to subsidiary and controlling company employees who meet specific requirements in the form of shares or cash as determined by the Board of Directors. The Company may authorize the Board of Directors to appropriate no more than 3% of the said profit as remuneration to the Directors and Supervisors. The remuneration to employees and directors and supervisors shall be submitted to the shareholders' meeting for review.

However, profits must first be taken to offset cumulative losses, if any, then used for the appropriation of remuneration to employees and directors and supervisors based on the preceding percentage.

Article 27: The Company's articles of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, and pay any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, but not subject to if the amount of accumulated legal capital reserve has reached the amount of the Company's paid-in capital. Then, amounts are appropriated or reversed to special reserves in accordance with relevant laws and regulations. The remaining profit, if any, together with accumulated undistributed surplus will be determined by

the Board for distribution. Shall the dividend be distributed in the form of new shares, such matter shall be resolved by the Shareholders' Meeting before distribution thereof.

The Company may distribute all or part of the dividends and bonuses, legal reserve and paid-in capital in the form of cash and report to the Shareholders' Meeting, after such matter has been approved by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members.

When distributing dividends, the Company takes into consideration factors including the future development plans, investment environment, capital needs and domestic and foreign competitions, and shareholders' returns. The shareholders' dividends shall be no less than 40% of that year's distributable amount, with cash dividends accounting for more than 20%. Such matter is approved by the Board of Directors and submitted to the Shareholders' Meeting for resolution.

## **Chapter VII Miscellaneous**

Article 28: Issues that are not fully addressed in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 29: The Articles of Incorporation are adopted on February 19, 1986.

The 1st amendment on June 1, 1986.

The 2nd amendment on October 15, 1989.

The 3rd amendment on October 7, 1994.

The 4th amendment on August 15, 1996.

The 5th amendment on November 13, 1998.

The 6th amendment on November 5, 1999.

The 7th amendment on December 1, 2000.

The 8th amendment on December 1, 2000.

The 9th amendment on June 10, 2002.

The 10th amendment on June 5, 2003.

The 11th amendment on December 17, 2003.

The 12th amendment on June 4, 2004.

The 13th amendment on June 18, 2004.

The 14th amendment on November 24, 2004.

The 15th amendment on October 5, 2005.



The 16th amendment on June 5, 2007.

The 17th amendment on July 5, 2007.

The 18th amendment on September 14, 2007.

The 19th amendment on December 20, 2007.

The 20th amendment on June 22, 2010.

The 21st amendment on May 17, 2011.

The 22nd amendment on July 15, 2011.

The 23rd amendment on June 26, 2012.

The 24th amendment on June 23, 2014.

The 25th amendment on December 18, 2014.

The 26th amendment on June 20, 2016.

The 27th amendment on June 19, 2017.

The 28th amendment on October 1, 2018.

The 29th amendment on May 29, 2019.

The 30th amendment on May 29, 2020.

The 31st amendment on November 23, 2020.

The 32nd amendment on August 30, 2021.

The 33rd amendment on February 14, 2022.

The 34th amendment on May 27, 2022.