

Articles of Incorporation

Yuanta Commercial Bank Co., Ltd.

Chapter One

General Provisions

- Article 1 The objectives of the Bank are to promote national savings, coordinate with national financial policies, and assist the development of business and industries.
- Article 2 The Bank is organized and registered in accordance with the regulations of the Banking Act and the Company Act and is named Yuanta Commercial Bank Co. Ltd. (Yuanta Bank in short)
- Article 3 The head office of the Bank is located in Taipei City, and the Bank may establish branch institutions domestically and overseas at appropriate locations based on business needs. The establishment, revocation or change to the above-mentioned branch institutions should be decided with resolutions of the Board of Directors and apply for approval and registration to the competent authorities.
- Article 4 The announcement method of the Bank is to post on the circulating daily newspaper of the place whether the head office of the Bank locates according to the laws.

Chapter Two

Shares

- Article 5 The total capital of the Bank is NT\$80,000,000,000, divided into 8,000,000,000 shares with a par value of NT\$10 each. The shares may be issued in installment. The Board of Directors is authorized to issue the unissued shares.
- Article 5-1 (Deleted)
- Article 6 The shares of the Bank are registered shares. They should be affixed with signature or seal impression of the board directors representing the Bank and imprinted with the seal impression of the Bank before it could be issued according to the laws.
- Article 7 The shareholder of the Bank shall complete a seal/signature specimen card with real name and place of residence and submit it to the Bank for record. All claims for collection of share dividend, bonus, or contacting in writing with the Bank shall be verified against the seal/signature specimen card.
- Article 8 If the seal of the Bank's shareholder got lost, destroyed or stolen, the shareholders should fill up an application to report the loss of seal, and follow the handling principles and rules announced by the competent authority of securities to apply for replacement.
- Article 9 The transfer of the Bank's shares, the transferor and assignee should affix their seal impression on the back of the stocks, and fill up stock transfer application, and follow the handling principles and rules announced by the competent authority of securities to apply for the transfer.

- Article 10 If the stocks got lost or stolen, the shareholder should fill up stock loss report form to notify the Bank and follow the handling principles and rules announced by the competent authority to apply for the replacement stocks.
- Article 11 If the stocks got contaminated and requesting for replacing new stocks or apply for new stock replacement according to the regulations in prior two clauses, a handling charge on each stock may be imposed.
- Article 12 The book closure period for the Bank's stock is 60 days before the shareholders' meeting, 30 days before the interim shareholders' meeting or 5 days before the base date for distributing stock dividend, bonus or other benefits announced by the Bank.

Chapter Three

Business

- Article 13 The business scope of the Bank is classified as H101021 Commerce Bank, H601011 Personal Insurance Agency, H601021 Property and Liability Insurance Agency and H304011 Security Investing Advices.
- The business items the Bank may conduct are the followings:
- (1) To accept Cheque Deposits.
 - (2) To accept Current Deposits.
 - (3) To accept Time Deposit.
 - (4) To extend short-term, medium-term and long-term loans.
 - (5) To handle discount bills and notes.
 - (6) To invest in valuable securities.
 - (7) To handle domestic remittances.
 - (8) To accept commercial drafts;
 - (9) To issue domestic Letters of Credit.
 - (10) To guarantee the issuance of corporate bonds.
 - (11) To provide guarantee for domestic transactions.
 - (12) To act as collecting and paying agents.
 - (13) To act as agent to sell government bonds, treasury notes, corporate bonds and stocks.
 - (14) To conduct credit card business.
 - (15) To act as short-term bill agent or perform security deal and underwriting business.
 - (16) To conduct custody and warehousing business.
 - (17) To conduct safe deposit box business.
 - (18) To conduct other relevant business related to the business licenses or agent service business authorized by the competent authority.
 - (19) To conduct export exchange, import exchange, general inward and outward remittance, foreign exchange deposit, foreign currency loans and the guarantee business for foreign currency guarantee payment.
 - (20) Commission sale of gold bar, gold coin, and silver coin.

- (21) To conduct the businesses authorized by Trust Act.
 - (22) To conduct government bond buy-sell business
 - (23) To conduct financial derivative product business authorized by central competent authority.
 - (24) Conduct factoring business for foreign account receivable from export.
 - (25) Transfer the factoring of account receivable from exporter to foreign account receivable factoring dealer.
 - (26) Factoring of domestic account receivable generated from domestic sells.
 - (27) To conduct Personal Insurance agency business.
 - (28) To conduct Property and Liability Insurance agency business.
 - (29) To conduct security-investing advices business.
- The operation of above business items shall comply with relevant laws and regulations.

Chapter Four

Shareholders' Meeting

- Article 14 (Deleted)
- Article 15 (Deleted)
- Article 16 (Deleted)
- Article 17 (Deleted)
- Article 18 (Deleted)
- Article 19 (Deleted)
- Article 20 (Deleted)
- Article 20-1 The authority of the shareholders' meeting in the Bank is exercised by the Board of Directors according to the regulations in the Company Act and Financial Holdings Act.
- Article 20-2 The transportation alliance and meeting attendance fees of the Bank's directors shall refer the payment standard of other companies in the same trade.

Chapter Five

Board of Directors

Article 21 The Bank would have 9 to 19 directors, among them, there will be 4 to 7 independent directors. The directors are appointed according to the rules and regulations in Company Act and Financial Holding Act, the term for the directors is 3 years. The directors could be reappointed.

Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, and other matters for compliance with respect to independent directors shall be in accordance with the regulations prescribed by the competent authority.

Article 21-1 (Deleted)

Article 21-2 The Bank's audit committee is composed of the entire number of independent directors according to the regulations in Article 14-4 of Security Exchange Act. The exercise of authority of the Audit Committee and its members and other relevant matters are to following the relevant regulations in Security Exchange Act.

Article 21-3 The Bank would setup a Compensation Committee, the organization and regulations of the committee are to be decided by the Board of Directors according to relevant laws and regulations.

Article 22 The Board of Directors would not set managing director position, with the attendance of over two thirds of the directors and consent by more than half of the directors present to elect a Chairperson of the Board among themselves and elect among themselves to be vice chairperson. In the event that the chairman of the Board is on leave of absent or cannot exercise his/her power and authority for any cause, the vice chairperson should act on the chairperson's behalf; if there is no vice chairperson or the vice chairperson is also on leave of absent or cannot exercise the power and authority, the chairperson should designate a director to act on his/her behalf; in the absence of such a designation, the directors shall elect from among themselves and acting chairman of the Board.

The compensation of the Chairperson and vice Chairperson of the Board is ranging from one half to two-fold of the compensation of the President, the actual number is to be decided by the Board of Directors.

The other compensation and welfare of the chairperson and vice chairperson are to follow the relevant regulations of the Bank or reference to the standard of other companies in the same trade; the Board of Directors is authorized to decide the severance pay for the chairperson and vice chairperson based on their participation to the operation of the company, contribution value and the standard of other companies in the same trade. The compensation for independent director is authorized to be decided by the Board of Directors referencing to the general standard of other companies in the same trade.

The authorities and powers of the Board of Directors shall be as follows:

- Article 23
- (1) To approve the rules and regulations.
 - (2) To examine and approve important business and plans.

- (3) To propose the increase or reduction of capital.
- (4) To approve the establishment, revocation or changes of the branch institutions.
- (5) To approve various significant contracts or agreements.
- (6) To make the budgets and final accounts reports.
- (7) To approve real estate transactions.
- (8) To propose profit distribution or loss appropriation.
- (9) To approve the appointment, dismissal of managers.
- (10) All other authority in accordance with the law, articles of incorporation and vested by the shareholders' meeting.

Article 24 The Board of Directors meeting shall be convened once every two weeks. An interim meeting may be convened in the event of an emergency or upon the request by more than half of the directors. Unless otherwise stipulated under the Company Act, all Board of Directors meeting shall be called by the Chairperson of the Board of Directors.

Article 25 In case a director for any reason is unable to attend a Board of Directors meeting, he/she may appoint another director to attend the meeting on his/her behalf by issue a written proxy in each time. The written proxy shall state the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one director only.

Article 26 Unless otherwise provided for in the Company Act, the resolutions of the Board of Directors shall be adopted by more than half of the directors at a meeting attended by more than half of the directors. The minutes of the Board of Directors meeting shall be affixed with the signature or seal by the Chairperson.

Article 27 During the Board of Directors meeting, the Board may invite President and Vice-President to attend the meeting. However, they have no voting rights.

Chapter Six (Deleted)

Article 28 (Deleted)

Article 29 (Deleted)

Article 29-1 (Deleted)

Chapter Seven

Presidents

- Article 30 The Bank shall have one President in charge of the Bank's operation in accordance with the resolutions of the Board of Directors. The President shall be assisted by several Vice-Presidents, Senior Managers and Managers, who shall be serving as the department heads at the head office, branch heads and in equivalent positions. There should also set a Chief Auditor to be in charge of the auditing business and a Chief Secretary to be in charge of Board-related affairs.
- Article 31 The appointment and dismissal of the President, Chief Secretary and the department heads with reporting responsibilities to Board shall be recommended by the Chairperson of the Board and the resolution of consent shall be adopted by more than half of the directors at a meeting. The appointment and dismissal of the department heads at the head office, branch heads and those in equivalent positions are to be recommended by the President to the Chairperson of the Board with the approval of more than half of the directors at a meeting.
- Article 31-1 The appointment, dismissal and transfer of Chief Auditor should be adopted by more than two third of all directors in the Board and reported to competent authority for approval before the appointment or dismissal becomes effective.

Chapter Eight

Accounting

- Article 32 The fiscal year of the Bank shall commence from January 1 and end at December 31 of the same year. At the end of each fiscal year, the Bank shall prepare the year-end financial statements.
- Article 33 At the end of each fiscal year, the Board of Directors shall prepare the following statements and send the statements 30 days to the Audit Committee for issuing reports 30 days before the shareholders' meeting, and after submitted to the shareholders' meeting for ratification, send the reports to the competent authority and the Central Bank for reference within 15 days, and announce the financial reports according the method specified by the competent authority:
- (1) The Business reports.
 - (2) Financial statements.
 - (3) Proposals on distribution of profit or loss appropriation.
- Article 34 At the end of fiscal year, the annual profit (profit refers to profit before tax and before the deduction of bonuses of employees), after deducting the accumulated loss, shall be distributed with 0.01% to 5% of the profit as employees' remuneration.

Article 34-1 If the final closing of accounts of the Bank has a surplus in a year, it would be distributed in the following sequence:

- (1) Pay taxes.
- (2) Make up for prior years' loss.
- (3) Set aside 30% of the net profit as statutory reserve in accordance to the laws.
- (4) Provide or reverse special reserves according to other relevant laws.
- (5) Other remaining balance and other undistributed surplus of previous years are to be distributed by the proposal of the Board of Directors with the approval at the Shareholders' meeting before the distribution.

Before the statutory reserve mentioned above reached the total amount of capital, the amount of profit distributed as cash may not exceed 15% of the total capital.

In the event that the statutory reserve equals or exceeds the Bank's paid-in capital or the Bank is sound in both its finance and business operations and has set aside statutory reserve in compliance with the Company Act, the restrictions stipulated above shall not apply.

Statutory surplus reserve could be used to make up the loss. When the company has no loss, the part of statutory surplus reserve which exceeds 25% of the Bank's actual paid-in capital may be used to issue new stocks or cash to the shareholders according the original shareholding ratio.

In order to continuously expand the Bank's operation and increase its profitability, and in the same time taking care of the capital adequacy ratio, the Bank adopts the residual dividend approach. The types of distributing dividends by the Bank, cash dividend, in principle, should not be lower than 30% of the total dividend distributed in the year, however, when necessary, the rule could be changed with the approval of the Board of Directors, and submitted to the Shareholders' meeting for discussion and approval. The cash part should be distributed after the shareholders' meeting pass the proposal on the surplus distribution; stock part should be distributed after obtaining the approval documents from the relevant competent authority.

Chapter Nine

Supplementary Articles

Article 35 The Bank's organization regulations, important regulations, decentralization of responsibilities chart and other regulations and rules are to be defined by the Board of Directors separately.

Article 36 All other matters not specified herein shall be regulated under the Banking Act, the Company Act, Financial Holding Company Act and other relevant laws or regulations.

Article 37 These Articles of Incorporation are concluded on May 26, 1990.

1st Amended on July 29, 1990
2nd Amended on December 20, 1991
3rd Amended on April 23, 1993
4th Amended on April 9, 1994
5th Amended on March 25, 1995
6th Amended on April 18, 1996
7th Amended on April 10, 1997
8th Amended on March 26, 1998
9th Amended on April 15, 1999
10th Amended on May 10, 2000
11th Amended on April 19, 2001
12th Amended on August 1, 2002
13th Amended on September 5, 2002
14th Amended on September 19, 2002
15th Amended on April 3, 2003
16th Amended on April 17, 2003
17th Amended on May 2, 2003
18th Amended on September 18, 2003
19th Amended on February 19, 2004
20th Amended on January 5, 2005
21th Amended on February 17, 2005
22th Amended on April 28, 2005
23th Amended on June 23, 2005
24th Amended on June 30, 2005
25th Amended on February 27, 2006
26th Amended on July 13, 2006
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29th Amended on August 16, 2007
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34th Amended on November 5, 2009
35th Amended on July 22, 2010
36th Amended on May 19, 2011
37th Amended on August 25, 2011
38th Amended on December 29, 2011
39th Amended on May 24, 2012
40th Amended on May 16, 2013
41th Amended on December 26, 2013

42th Amended on May 22, 2014
43th Amended on November 20, 2014
44th Amended on May 28, 2015
45th Amended on December 24, 2015
46th Amended on March 24, 2016
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