

**KGI Financial Holding Co., Ltd.**  
**Articles of Incorporation**

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**Section 1 General Principles**

- Article 1 This Company is organized in accordance with the “Financial Holding Company Act” and the “Company Act” with the approval of the government for the purpose of enhancing economies of scale and operation synergies.
- Article 2 The Company bears the name of 凱基金融控股股份有限公司 in Chinese, and KGI Financial Holding Co., Ltd. in English.
- Article 3 The headquarters of the Company is located in Taipei.
- Article 4 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

**Section 2 Business**

- Article 5 The Company is engaged in financial holding company business (Code H801011).
- Article 6 The scope of the Company’s business is as follows:
1. The Company may apply for the competent authority’s approval to invest in the following enterprises:
    - A. Financial holding companies;
    - B. Banking enterprises;
    - C. Bills finance enterprises;
    - D. Credit card businesses;
    - E. Trust enterprises;
    - F. Insurance enterprises;
    - G. Securities enterprises;
    - H. Futures enterprises;
    - I. Venture capital enterprises;
    - J. Foreign financial institutions which have been approved for investment by the competent authority; and
    - K. Other enterprises for which the competent authorities determine to be financial related business.
  2. Management of the above enterprises;
  3. The Company may apply for the competent authority’s approval to invest in other enterprises out of the scope of Article 6(1); however, the Company is not allowed to engage in managing such enterprise.
  4. Other businesses approved by the competent authority.

Article 6-1 The Company specializes in investment, and therefore, the Company's total investment amount may exceed 40% of the Company's paid-in capital as stipulated in Article 13 of the "Company Act".

Article 6-2 Delegations of responsibilities among the Company and its subsidiaries will be stipulated in the Company's internal rules.

### **Section 3 Shares**

Article 7 The authorized capital of the Company is NT\$250,000,000,000, which is divided into 25,000,000,000 shares, with a par value of NT\$10 per share, and may be issued in installments with the authorization of the Board of Directors, and a portion of these shares may be in the form of preferred shares.

Within the authorized capital stated above, NT\$5,000,000,000, divided into 500,000,000 shares with a par value of NT\$10 per share, may be issued in installments with the authorization of the Board of Directors and shall be reserved for issuance of warrants.

When the exercise price of employee stock warrants is lower than the closing price of the Company as of the issuance date, or the transferring price of treasury stocks to the employees is lower than the average buy-back price, the resolution should be adopted by a majority of the shareholders present who represent two-thirds or more of the total number of the outstanding shares.

Eligible recipients, assignees and purchasers of employee stock warrants issued by the Company, share buybacks, and new restricted employee stocks may include employees of parents or subsidiaries of the Company pursuant to certain requirements stipulated by the Board of Directors.

Article 7-1 The Company may issue new restricted employee stocks pursuant to Article 267 of the "Company Act".

The qualified employees of restricted employee stocks specified in the preceding paragraph may include the employees of subsidiaries of the Company as specified in the terms and conditions thereupon.

Article 7-2 The rights and obligations of the Company's preferred shares and other important issuance terms are as follows:

1. Where the Company made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve, setting aside or reversing special reserve in accordance with the laws and regulations, and then the remaining of the profit shall be used as the basis for the distribution of dividends to preferred shareholders.
2. The dividend rate of preferred shares is capped at 8% per annum on the issue price. Dividends will be distributed in cash annually. Once the Company's audited financial reports have been acknowledged in an annual general shareholders meeting, the Board of Directors shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall

be calculated based on the actual number of days the preferred shares remain outstanding in that year.

3. The Company has sole discretion on the distribution of preferred share dividends. If, after annual audited accounts are prepared, there is no earnings or insufficient earnings for distributing preferred share dividends, or if such distribution will cause the Company's capital adequacy ratio to fall below the minimum requirement stipulated by the law or the competent authorities, or due to any other concern, the Company may resolve not to distribute the preferred share dividends, in which case preferred shareholders shall not raise any objection. If the preferred shares issued are specified as non-cumulative, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative or become payable in subsequent profitable years.
4. If the preferred shares are specified as non-participating, except for the dividends stipulated in the 2<sup>nd</sup> subparagraph of this paragraph, the preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard of the common shares derived from earnings or capital reserves.
5. The Company's remaining asset shall be first distributed to the preferred shareholders, among whom shall be distributed equally regardless of types of preferred shares, prior to common shareholders. Also the distribution amount is capped at the issue amount of preferred shares.
6. Preferred shareholders have no voting and election rights in the general shareholders meeting, but are eligible to be elected as directors, and they can vote in the preferred shareholders meeting or matters related to the preferred shareholders' rights and obligations in the general shareholders meeting.
7. Convertible preferred shares issued by the Company shall not be converted within one year after the date of issuance. The Board of Directors is authorized to set the conversion period in the actual issuance terms. Convertible shareholders may, pursuant to the issuance terms, apply for conversion of their preferred shares, in whole or in part, to common shares pursuant to the conversion ratio (i.e. 1:1) set out in the issuance terms. After conversion, the converted shares shall have the same rights and obligations as common shares. Dividend distribution at the year of conversion shall be calculated based on the ratio between the actual issuance days and total days of the conversion year, provided, however, that when said shares are converted prior to the ex-dividend date of any given year, the shareholders may not be entitled to the preferred share dividend distribution of that year and the year afterwards, but such shareholders may be entitled to the distribution of profit and capital reserve to common shareholders.
8. If the Company issues perpetual preferred shares, such preferred shareholders have no right to request the Company to redeem such shares. In addition, the Company may set redemption date at a date no earlier than the day following the seventh anniversary of the issuance date. When redeeming the preferred shares, either in whole or in part, the Company shall redeem such preferred shares at the price the same as the issue price, and the rights and obligations of the preferred shares, which have not been redeemed yet, shall remain the same. If the Company resolves to issue dividends, the dividends to be received upon the redemption date shall be calculated according the actual issuance days of said year.

9. If the Company issues non-perpetual preferred shares, the issuance period shall not be shorter than seven years, and preferred shareholders have no right to request the Company to redeem such shares. Upon expiry date of the issuance period or from the day following the seventh anniversary of the issuance date, the Company may, pursuant to the issuance price and relevant issuance terms, redeem such shares in cash, or redeem such shares in other manners permissible by law. If at the time when the Company is unable to redeem all or a part of the preferred shares due to force majeure or otherwise, the rights and obligations of the outstanding preferred shares will remain unchanged until full redemption by the Company.

The Board of Directors is authorized to determine the name, issuance date and terms of the preferred shares in accordance with prevailing market conditions and investors' expectation, in accordance with the Articles of Incorporation and applicable laws and regulations.

Article 8 The shares of the Company are in the form of registered shares, and shall be issued in accordance with the "Company Act" and other relevant laws and regulations. The shares issued by the Company may be exempt from printing share certificates. However, a centralized securities-depository enterprise shall be engaged to register the shares issued.

Article 9 Shareholders shall have their names or titles, residence addresses, seals or signature samples, and any amendments thereto recorded by the Company. Shareholders shall collect the dividends from the Company or exercise other rights in accordance with the "Regulations Governing Handling of Stock Affairs by Public Companies".

Article 10 Share transfer is suspended during sixty days immediately preceding to annual general shareholders meetings, thirty days immediately preceding to extraordinary shareholders meetings, five days period immediately preceding to the record day for distributing dividends or other interests determined by the Company.

Article 11 The share related matters shall be handled in accordance with the regulations prescribed by the competent authority.

#### **Section 4 Shareholders meetings**

Article 12 Shareholders meetings shall be one of two types:

1. Annual general shareholders meetings shall be convened by the Board of Directors once a year, within six months from the end of each fiscal year. Shareholders shall be notified thirty days prior to an annual general shareholders meeting.
2. Extraordinary shareholders meetings shall be convened by the Board of Directors when necessary, unless otherwise provided in the "Company Act". Shareholders shall be notified fifteen days prior to an extraordinary shareholders meeting.

Preferred shareholders meetings shall be convened when necessary in accordance with applicable laws and regulations.

Article 12-1 Shareholders meetings can be held by means of visual communication network or other methods promulgated by the competent authority.

Article 13 Unless otherwise provided by relevant laws and regulations or the Articles of Incorporation, resolutions at a shareholders meeting shall be adopted by a majority vote of the shareholders present who represent more than one-half of the shareholders. Each shareholder shall be entitled to one vote on each share of stock held by him or her.

Article 14 When a shareholder cannot attend the shareholders meeting, he or she may appoint a proxy to attend on his or her behalf through the execution of a power of attorney stating therein the scope of power authorized to the 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 or 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 14-1 The Chairman shall chair the shareholders meeting. In case the Chairman is on leave or otherwise unable to perform his or her duties, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to perform his or her duties, the Chairman shall appoint one managing director to act on his or her behalf, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such designation, the managing directors or the directors shall elect one from among themselves to act on behalf of the Chairman. Shareholders meetings shall be handled in accordance with "Rules of Procedure for Shareholders Meetings" of the Company.

Article 15 A judicial shareholder may have more than one representative; however, the voting is calculated based on such shareholder's shareholding. Two or more representatives of a judicial shareholder shall jointly cast their votes.

## **Section 5 Directors and Board of Directors**

Article 16 The Company shall have 7 to 11 directors to constitute the Board of Directors elected by shareholders meetings.  
The Company adopts a "candidate nomination system" for the election of its directors, and shareholders elect directors from among the nominees listed in the roster of director candidates.  
The Company may purchase liability insurance for its directors to insure them against the liabilities due to carrying out their respective duties during the term of office.

Article 16-1 Among the Company's directors, there shall be at least 3 independent directors, and the number of independent directors shall be no less than 1/5 of director seats. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.  
The professional qualifications, restrictions on shareholding and concurrent post, determination of independence, nomination and election processes, exercise of

authority and other requirements regarding independent directors shall be determined and handled in accordance with the Securities and Exchange Law and related laws and regulations.

- Article 17 The total shareholding of all the directors of the Company may not be less than the percentage prescribed by the competent authority.
- Article 18 Directors each shall have a term of office of three years and may be re-elected. In case the tenure of directors is due and no new directors have been elected, the term of existing directors may be extended until the newly elected directors take their office.
- Article 19 The Company may have 3 to 5 managing directors, and the number of managing directors may not exceed a third of the total seats of directors. Managing directors shall be elected among and by the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman and Vice Chairman of the Board of Directors shall be elected among and by the managing directors in the same manner. No less than one-fifth of the managing directors shall also be independent directors. In the case that the Company has no managing directors, the Chairman and Vice Chairman of the Board of Directors shall be elected among and by the directors by a majority vote at a meeting attended by over two-thirds of the directors.
- Article 20 The Chairman shall chair the shareholders meetings, the board meetings, and meetings of the managing directors, and shall represent the Company. In case the Chairman is on leave or otherwise unable to perform his or her duties, the Vice Chairman shall act on his or her behalf. In case there is no Vice Chairman or the Vice Chairman is also on leave or unable to perform his or her duties, the Chairman shall appoint one managing director to act on his or her behalf. In case the Company has no managing directors, the Chairman shall appoint a director to act on his or her behalf. In the absence of such designation, the managing directors, or directors shall elect one from among themselves to act on behalf of the Chairman.
- Article 21 Except as otherwise provided by laws and regulations, the board meeting shall be convened by the Chairman. In case of emergency, the board meeting may be convened anytime by the Chairman by written, facsimile notice or electronic transmission notice. Except as otherwise provided by laws and regulations, the board resolutions shall be adopted by a majority vote of the directors present who represent more than one-half of the directors. When the board meeting is convened, the directors shall attend in person. Where a director cannot attend the meeting, he or she may appoint a proxy to attend on his or her behalf through the execution of a power of attorney stating therein the scope of power authorized to the proxy. A proxy may only represent one director. When the board meeting is convened through a video conference, directors who participate through the video conference are deemed as having attended in person.
- Article 22 Duties of the Board of Directors are as follows:
1. To review and approve the business guideline and plans of the Company;
  2. To review and approve budget and final accounting of revenue and expenditure.
  3. To review and approve the organization rules of the Company;

4. To review and approve important internal rules of the Company;
5. To consider the proposal regarding the increase or decrease of the Company's capital and the issuance of shares;
6. To consider earnings distribution plans;
7. To review and adopt the proposal regarding the issuance of corporate bonds;
8. To review and adopt the proposal regarding treasury stock buyback;
9. To appoint and discharge an attesting CPA, or the compensation given thereto;
10. To appoint and discharge a financial, accounting, internal auditing officer and managers;
11. To review and approve the disposal or acquisition of material assets;
12. To determine the date for convening annual general and extraordinary shareholders' meetings;
13. To appoint directors and supervisors of subsidiaries; and
14. To perform other duties prescribed by the laws and regulations or conferred by the shareholders meetings.

Article 23 During the adjournment of board meetings, the managing directors shall perform the duties and responsibilities of directors through meetings convened by the Chairman from time to time on the condition that the Company has managing directors. A resolution of the managing directors meeting shall be adopted by a majority of the managing directors who attend the meeting and represent more than the one-half of the managing directors.

Article 24 The Company shall set up an Audit Committee, composed of all the independent directors. The number of persons in the Audit Committee shall not be less than three. One shall be the convener, and at least one shall have accounting or financial expertise.  
The exercise of authority and other requirements regarding Audit Committee shall be determined and handled in accordance with the relevant laws and regulations and the Company's internal rules.

Article 25 (Deleted)

Article 26 The Company may establish various functional committees pursuant to organization rules and internal rules approved by the Board of Directors according to relevant laws and regulations.

Article 27 Directors of the Company may act as directors or supervisors of its subsidiaries.

Article 28 Board of directors is authorized to determine the remuneration of directors in accordance with their involvement and contribution to the Company's operation by taking into account of the Company's performance and the market level.

## **Section 6 Managers**

Article 29 The Company shall have one president. The president shall be nominated by the Chairman and appointed via a resolution adopted by majority of the directors. The

same procedure shall be applied to the discharge of the president. The president shall oversee the entire business of the Company in accordance with the resolutions adopted by the Board of Directors. If the president is unable to perform his or her duty due to leave or other reasons, the Chairman may appoint one of the Company's vice presidents to act on his or her behalf, or the Chairman may perform relevant duties temporarily upon the approval of the regulatory authorities.

Article 30 The Company could have one or more managers and the appointment and discharge of the managers should follow relevant laws and regulations as well as the Company's internal rules.

Article 31 Except for the duties of the shareholders meeting and Board of Directors pursuant to the laws and regulations and conferred by the Articles of Incorporation of the Company, the managers of the Company have the rights to represent the Company for all actions necessary for the business in accordance with his or her duties, and the scope of managers' authority is determined in accordance with the Company's internal rules.

## **Section 7 Final Accounts and Earnings Distribution**

Article 32 The fiscal year of the Company shall begin on the 1st of January and end on the 31st of December. After the end of each fiscal year, the Board of Directors shall prepare the following reports and records, and present the same to the annual general shareholders meeting for recognition according to required procedures:

1. Business report;
2. Financial report; and
3. Proposal for earnings distribution or loss make-up.

Article 33 If making any profit for a fiscal year, the Company shall set aside no less than 1% of the profit for employees' compensation and no more than 1% of the profit for directors' remuneration. In addition, the Company shall set aside 0.01% to 0.05% of the profit for grassroots employees' compensation. However, if the Company still has cumulative losses from previous years, it shall first set aside reserve to offset such losses.

The afore-mentioned profits mean pretax profits before deducting employees' compensation and directors' remuneration.

The Board of Directors is authorized to stipulate distribution rules for employees' compensation for eligible employees of the Company and subsidiaries.

The Board of Directors shall determine remuneration as stipulated in the first paragraph given to directors according to each director's contribution.

Article 33-1 Considering the necessity of business development and earnings enhancement, as well as in compliance with the relevant laws and regulations, the Company adopts a residual dividends policy. Cash dividend may not be less than 10% of total dividend.

Where the Company made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve as well as setting aside or reversing special reserve in accordance with the laws



and regulations, and then the remaining of the profit together with the addition of adjusted undistributed retained earnings in the beginning of the period can be used as the basis for the distribution of dividends and bonus to shareholders. After the distribution of preferred share dividends according to the Articles of Incorporation, the remaining can be subject to the range from 30% to 100% of the basis for the distribution as dividend for common shareholders. The distribution plan shall be proposed by the Board of Directors and resolved in the annual general shareholders meeting.

## **Section 8    Supplementary Regulations**

Article 34    For matters not provided herein, relevant provisions of the “Financial Holding Company Act”, the “Company Act”, the “Banking Act”, the “Securities and Exchange Act”, and other related laws and regulations shall govern.

Article 35    These Articles of Incorporation were adopted on June 20, 2001.  
The First amendment was made on June 26, 2002.  
The Second amendment was made on June 27, 2003.  
The Third amendment was made on April 5, 2004.  
The Fourth amendment was made on June 10, 2005.  
The Fifth amendment was made on June 30, 2006.  
The Sixth amendment was made on June 15, 2007; Article 7, paragraph 3 was effective on January 1, 2008.  
The Seventh amendment was made on June 13, 2008.  
The Eighth amendment was made on June 19, 2009.  
The Ninth amendment was made on June 18, 2010.  
The Tenth amendment was made on June 24, 2011.  
The Eleventh amendment was made on June 22, 2012.  
The Twelfth amendment was made on June 20, 2014.  
The Thirteenth amendment was made on May 16, 2016.  
The Fourteenth amendment was made on June 16, 2017.  
The Fifteenth amendment was made on June 14, 2019.  
The Sixteenth amendment was made on June 12, 2020.  
The Seventeenth amendment was made on October 1, 2021.  
The Eighteenth amendment was made on June 17, 2022.  
The Nineteenth amendment was made on June 17, 2023.  
The Twentieth amendment was made on June 14, 2024.  
The Twenty-first amendment was made on June 13, 2025.  
For matters not provided herein, the shareholders meeting shall resolve to amend this Articles of Incorporation.  
This Articles of Incorporation shall be implemented as from the date of promulgation after approval by the shareholders meeting, and the same procedures shall apply to amendments.