

# **EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

#### **Article 1**

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Act of Republic of China with the name of 長榮海運股份有限公司 in Chinese and EVERGREEN MARINE CORPORATION (TAIWAN) LTD. in English.

#### **Article 2**

The Company may engage in the following activities:

1. G301011 Ship Transportation;
2. G401011 Shipping Agency Services;
3. G404011 Container Distributing Center Business;
4. I701011 Occupation Services;
5. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### **Article 3**

The office of the Company is located at Taipei, Taiwan, where necessary, the Company may have branches or offices established within or outside the Republic of China as decided by resolution adopted by the Board of Directors.

#### **Article 4**

The total amount of investment by the Company shall not be subject to the restriction of 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Act.

The Company may render external guarantees.

### **Chapter 2 Shares**

#### **Article 5**

The total authorized capital of the Company shall be NT\$70,000,000,000 divided into

7,000,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

#### **Article 6**

The shares issued by the Company shall be registered in the Securities Central Depository Business Institution.

#### **Article 7**

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

### **Chapter 3 Shareholders' Meeting**

#### **Article 8**

The Shareholders' Meeting of the Company consists of two categories; the Annual General and Extraordinary Meetings;

1. The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
2. The Extraordinary Meeting of the Company may be duly held if necessary.

#### **Article 9**

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

#### **Article 10**

The shareholders of the Company shall have one voting right for each share, except the shares which set forth in Article 179 of the Company Act are no voting right.

#### **Article 11**

A shareholder who is unable to attend a Shareholders' Meeting may duly authorize another person as his proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

## **Article 12**

Unless otherwise provided under the Company Act and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

## **Article 13**

When Shareholders' Meeting is convened by the Board of Director, its chairman shall be processed in accordance with the provision in Article 208 of the Company Act. When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two and more parties with right of summons, one party will be elected among these parties.

## **Article 14**

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Act.

## **Chapter 4 Directors And Managers**

### **Article 15**

The Company shall have seven to nine (7~9) Directors.

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Act. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all preceding Directors shall be subject to the provision established by the Securities Management Institution.

### **Article 15-1**

The number of the Directors set forth in the preceding article shall include three(3) Independent Directors.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to Independent Directors shall be subject to the Securities and Exchange Act and other relevant regulations.

## **Article 16**

The Directors shall be elected at the Shareholders' Meeting and they are selected due to their competence and disposing capacity. They shall have a three-year term of office and are eligible for re-election. The Directors may, according to Article 199 of the Company Act, be discharged at any time by a resolution passed at a Shareholders' Meeting.

## **Article 17**

When the dismissal of Director(s) results in the number of directors less than five(5), the Company shall hold supplementary election for Director at the next following Shareholders' Meeting. When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene a Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office.

When the dismissal of Independent Directors(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 15-1, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.

## **Article 18**

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two-thirds (2/3) of the Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall internally preside at the Meetings of Shareholders and Board Meetings, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Act.

## **Article 19**

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

## **Article 20**

Notices of the Board Meeting shall be dispatched to each of the Directors seven (7) days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting

may be convened anytime.

The notice set forth in the preceding paragraph may be conducted in the form of writing or by way of e-mail or fax.

Where a Director is unable to attend a Board Meeting, he may authorize another Director to attend on his behalf by issuing a power of attorney in the latter's favor specifying the business to be conducted thereat and the scope of the authority to be granted.

#### **Article 21**

Unless otherwise provided under related regulations or the Articles of Incorporation, resolutions of the Board Meeting shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

#### **Article 22**

The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The exercise of power and others of the Audit Committee and its members shall be in accordance with the Securities and Exchange Act and the relevant laws and regulations.

#### **Article 23**

The compensation of the Directors (the "compensation") to be resolved by the Board of the Directors authorized herein will be based on the level of each one's participation in and the value of individual's contribution to the Company's operation as well as the ordinary standard of the competitors' compensation.

In order to cover the loss causing from liabilities of the Directors and to raise awareness of corporate governance, the Company may take out liability insurance for all Directors and the representatives who are designated by the Company to its investing companies to act as Director or Supervisor during their terms of offices.

#### **Article 24**

The company may have managers. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.

### **Chapter 5 Accounting**

#### **Article 25**

After the end of each fiscal year of the Company, the Board of Directors shall prepare and submit the following reports to the Annual General Meeting of the Shareholders for approval according to legal procedures:

1. Business report.
2. Financial statements.
3. Proposal for allocation of surplus profit or making up loss.

## **Article 26**

If the Company makes profit in a fiscal year, employees' compensation, no less than 0.5% of the profit, and directors' remuneration, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The employees' compensation and directors' remuneration shall be set aside afterwards according to the principles mentioned above.

The employees' compensation shall be distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.

The profit in item 1 refers to profit before tax without deducting employees' compensation and directors' remuneration.

The amount of employees' compensation and directors' remuneration as well as the payment method of employees' compensation shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds or more of the directors and be reported at a shareholders' meeting.

## **Article 26-1**

If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset losses from previous years (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse special surplus reserve per the provisions. After that, the Board of Directors shall propose a surplus distribution plan of the balance plus the retained earnings accrued from prior years, submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

The dividends shall be distributed in the combination of cash and stocks, provided that cash dividends shall not be less than 10% of the total amount of dividends.

## **Chapter 6 Miscellaneous**

### **Article 27**

The rules and regulations of the Company and various operation procedures shall be separately stipulated by the Board of Directors.

### **Article 28**

Any matter not provided for by these Articles shall be subject to the Company Act and

related regulations.

## **Article 29**

These Articles were originally established on September 3, 1968;

The 1st amendment was made on November 12, 1970;

The 2nd amendment was made on July 27, 1974;

The 3rd amendment was made on December 6, 1974;

The 4th amendment was made on July 15, 1975;

The 5th amendment was made on September 2, 1976;

The 6th amendment was made on September 9, 1978;

The 7th amendment was made on December 8, 1978;

The 8th amendment was made on August 11, 1979;

The 9th amendment was made on November 15, 1980;

The 10th amendment was made on May 23, 1981;

The 11th amendment was made on April 20, 1982;

The 12th amendment was made on June 11, 1983;

The 13th amendment was made on September 10, 1983;

The 14th amendment was made on December 1, 1983;

The 15th amendment was made on April 27, 1984;

The 16th amendment was made on December 27, 1984;

The 17th amendment was made on March 30, 1985;

The 18th amendment was made on April 26, 1986;

The 19th amendment was made on August 21, 1986;

The 20th amendment was made on March 16, 1987;

The 21st amendment was made on April 14, 1987;

The 22nd amendment was made on March 25, 1988;

The 23rd amendment was made on April 17, 1989;

The 24th amendment was made on May 11, 1991;

The 25th amendment was made on May 9, 1992;

The 26th amendment was made on May 8, 1993;

The 27th amendment was made on April 20, 1996;

The 28th amendment was made on May 16, 1998;

The 29th amendment was made on June 22, 1999;

The 30th amendment was made on 20 June, 2000;

The 31st amendment was made on June 20, 2001;  
The 32nd amendment was made on June 21, 2002;  
The 33rd amendment was made on June 20, 2003;  
The 34th amendment was made on June 24, 2004;  
The 35th amendment was made on June 23, 2005;  
The 36th amendment was made on June 23, 2006;  
The 37th amendment was made on June 27, 2007;  
The 38th amendment was made on June 19, 2009;  
The 39th amendment was made on June 24, 2011, but the article 15-1 and the paragraph 2 of the article 17 will not effective until the Shareholders' Meeting of the Company elects Independent Directors;  
The 40th amendment was made on June 15, 2012;  
The 41st amendment was made on June 14, 2013;  
The 42nd amendment was made on June 22, 2016;  
The 43rd amendment was made on June 22, 2017;  
The 44th amendment is made on June 24, 2020.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

Chairman Chang, Yen-I