



# GlobalWafers Co., Ltd.

## Articles of Incorporation

### Chapter I. General Provisions

#### Article 1

This Company is duly incorporated under the provisions set forth in the Company Act, and its full name in Chinese language is 環球晶圓股份有限公司, and GlobalWafers Co., Ltd. in English language.

#### Article 2

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing

C801990 Other Chemical Materials Manufacturing

F119010 Wholesale of Electronic Materials (only in areas outside Hsinchu Science Park)

F219010 Retail Sale of Electronic Materials (only in areas outside Hsinchu Science Park)

F401010 International Trade

Research and development, design, manufacture and sell the following products:

1. Silicon-based semiconductor materials and their components
2. Silicon Compound
3. Silicon Carbide Compound
4. Import-export activities related to the above mentioned business.

#### Article 3

The Company may provide endorsement and guarantee. The total amount of the Company's reinvestment shall not be subject to the restriction of Article 13 of the Company Act.

#### Article 4

The Company is headquartered in Hsinchu SBIP and may have branches or offices set elsewhere domestically and abroad as resolved by the Board of Directors and competent authorities of the government when necessary.



## Article 5

Public announcements of the Company shall be duly made in accordance with the Article 28 of the Company Act.

## Chapter II. Capital Stock

### Article 6

The total capital stock of the Company shall be in the amount of NTD10,000,000,000, divided into 1,000,000,000 shares, at NTD10 par value, and may be issued separately. The Board of Directors is entitled to make resolutions to decide whether or not the unissued shares to be issued depending on actual needs.

Among the total capital stock indicated in the first paragraph, the amount of shares 20,000,000 should be reserved for issuing options for stock, preferred stock, or corporate bond.

The quota of aforesaid options for stock, preferred stock, or corporate bond shall be adjusted by the Board of Directors' resolutions contingent on the capital market's condition and managerial demand.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive the treasury stocks the Company repurchased pursuant to the Company Act.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive share subscription warrant of the Company.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to subscribe new shares issued by the Company.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive restricted shares issued by the Company.

### Article 7

The Company may not print share certificates for the issuance. Registers of share certificates shall contact the share certificates' depository and clearing organizations and follow the regulations of that enterprise.

### Article 8

Delete

### Article 9

Delete



#### **Article 10**

All the Company's stockholder-related affairs shall be dealt in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.

#### **Article 11**

Share transfer registration shall be suspended 60 days preceding each regular shareholders' meeting, or 30 days preceding an extraordinary shareholders' meeting, or 5 days preceding the base day for distribution to shareholders of dividends, bonuses, or other privileges as determined by this Company.

### **Chapter III. Shareholders' Meeting**

#### **Article 12**

The shareholders' meeting shall be convened in two forms: a regular meeting or extraordinary meeting. The regular meeting shall be held once annually and convened by the Board of Directors within six months from the closing of each fiscal year in accordance with the relevant regulations. An extraordinary meeting, if necessary, shall be convened by Board of Directors in accordance with relevant regulations.

Unless otherwise provided in the Company Act, the shareholders' meeting shall be convened by the Board of Directors.

The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance in case of a regular meeting of shareholders or 15 days in advance in case of a extraordinary meeting of shareholders. The written or electrical notice shall bear date, location and subjects of the meeting.

The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations.

#### **Article 13**

A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney expressly bearing the scope of the authorized power to appoint a proxy to attend the meeting on behalf. The powers of attorney shall be duly handled in accordance with "Regulations Governing Powers of Attorney Used for Attending the Shareholders' Meeting of Public Offering Companies" in addition to the requirements set forth in Article 177 of the Company Act.

#### **Article 14**

Unless otherwise provided for in the Company Act, resolutions in the shareholders' meeting shall be adopted by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.



#### **Article 15**

Each share of stock shall be entitled to one vote, but shareholders who has no voting right and under restrictions consistent with the circumstances set forth in Article 179 of Company Act and related regulations should follow the rules.

#### **Article 16**

When the shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson. In case of the Chairperson's absence or unavailability, his/her proxy shall be the Vice Chairperson.

If the Vice Chairperson's position is in vacancy, or the Vice Chairperson is also absent, the Chairperson shall, in advance, appoint a director to act in his/her place, but if the Chairperson does not appoint his/her representative, one director shall be elected from among them to act in Chairperson's place. In the event that the shareholders' meeting is convened by others instead of the Board of Directors, the shareholders' meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected to chair the meeting.

#### **Article 17**

Minutes of shareholders' meeting shall be proceeded subject to Article 183 of the Company Act.

#### **Article 18**

After issuing shares in public, if the Company would like to cease its public status, the procedure shall be in accordance with Article 156 of the Company Act, to attain approval by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

### **Chapter IV. Directors and the Audit Committee**

#### **Article 19**

1. The Company shall have seven to eleven directors. Director election is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, and that shareholders meeting shall elect directors from among the those listed in the slate of independent director candidates.  
All directors shall serve for a term of three years and shall be eligible for re-election. The total shares held by all directors shall be in compliance with the relevant regulations provided by the securities authority.
2. The aforesaid directors shall have at least three independent directors, and furthermore shall be no fewer than one-fifth of the director seats. The professional qualification, shareholding, part-time job limitation, nomination and election method and other requirements for independent directors shall be handled in compliance with the relevant regulations provided by the securities authority.



#### **Article 20**

More than two-thirds of Directors shall attend the meeting for the Board of Directors, and Chairperson and Vice Chairperson shall be elected among directors by a majority vote of the attending directors. Chairperson shall represent the Company.

#### **Article 21**

In the case that vacancies on the Board of Directors reach one third of the total number of the directors, the Board of Directors shall convene an extraordinary shareholders' meeting to fill such vacancies within 60 days. The new directors shall serve only the remaining term of the predecessors.

#### **Article 22**

The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called anytime. The notice sets forth in the preceding paragraph may be effective by means of electronic transmission or written notice.

Unless otherwise provided for in the Company Act, resolutions in the Board of Directors meeting shall be adopted by a majority vote in the meeting attended by a majority of Directors. Any director who is unable to attend a Board of Directors' meeting shall appoint another director as his/her proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director.

#### **Article 23**

If the Chairperson takes leave or is unavailable to perform his/her duties, the proxy method shall be in accordance with the Article 208 of Company Act.

#### **Article 24**

Remunerations of all directors shall be determined by the Board of Directors based on the level of their participation in business operation and the value of their contribution, and taking into account the common remuneration level in the same industry.

If the directors hold other positions at the Company, their remunerations for those positions shall be paid monthly in accordance with the common remuneration level of general managers.

#### **Article 25**

The Company establishes Audit Committee according to Article 14-4 of Securities and Exchange Act. Its composition, powers of committee members as well as the meeting rules and other requirements shall be handled in compliance with the relevant regulations provided by the securities authority.



## **Article 26**

The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.

## **Article 26-1**

The Company plans to set up functional committees, its establishment and powers of committee members shall be in accordance with the relevant regulations provided by the authority.

## **Chapter V. Management of the Corporation**

### **Article 27**

The Company shall have several managers whose appointment, discharge and remuneration shall be in accordance with the Company Act.

### **Article 28**

The Company shall employ accountants and lawyers through the Board of Directors as consultants if needed. The remuneration for those consultants will be determined by the Board of Directors.

## **Chapter VI. Accountings**

### **Article 29**

The Company's fiscal year starts from January 1<sup>st</sup> and ends on December 31<sup>st</sup> of every calendar year.

### **Article 30**

The surplus earning distribution or loss off-setting proposal is to be proposed at the close of each half fiscal year.

### **Article 30-1**

The proposal of surplus earning distribution or loss off-setting for the half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for



their auditing, and afterwards be submitted to the board of directors for approval.

If the company distributes surplus earning in the form of cash in accordance with the above provision shall be approved by a meeting of the board of directors.

If such surplus earning is distributed in the form of new shares issued by the company, it shall be approved by the shareholder then distribute.

### **Article 30-2**

Upon the closing of each fiscal year, the Board of Directors shall prepare the following documents and present it at a regular meeting of shareholders for acknowledgement in compliance with legal procedure.

- i. Business report
- ii. Financial statements
- iii. Proposal of earning distribution or loss coverage.

### **Article 31**

If the Company has surplus at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration. However, if there are accumulated losses, certain profits shall be reserved to cover first.

The entitled employees of the aforementioned employee remuneration include the employees of parents or subsidiaries of the company who meet the conditions set by the Board.

The Company will distribute cash for directors' remuneration, and share or cash for employee remuneration. The distribution shall be resolved with a consent of a majority of the directors present at a meeting attended by more than two thirds of the total directors and reported to the shareholder's meeting by the Board.

### **Article 32**

Where the Company has profit after tax at the end of each fiscal year, the Company shall allocate according to below priority:

1. Compensating losses
2. Contributing 10% as legal reserve. If the legal reserve has reached the amount of the paid-in capital of the Company, no contribution shall be made
3. Appropriating or transferred to special reserve in accordance with applicable laws and regulations or as requested by the competent authority.
4. After the above 1~3 are deducted from profit after tax of the fiscal year, the balance (if any) together with accumulated inappropriate retained earnings of previous years can be distributed after the distribution plan proposed by the Board. When the distribution is cash,



pursuant to Article 240, subparagraph 5 of the Company Act, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is new share issuance, it shall be approved by the shareholders' meeting and distribute.

In order to maintain continuous operation and steady growth of EPS, dividend for shareholders shall be more than 50% of the profit after tax deducting the appropriation of special surplus of the year by the regulations, and the shareholder dividend distribution rate shall be no less than 50% of the cash dividend.

### **Article 33**

Pursuant to Article 241 of the Company Act, , the Company distributes its legal reserve and the capital reserve in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash.

When the distribution is cash, the Company authorizes the board to resolve after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is new share issuance, it shall be approved by the shareholders' meeting and distribute.

## **Chapter VII. Supplementary Provisions**

### **Article 34**

Relevant matters not provided for in these Articles shall be handled in accordance with the provisions of the Company Act.

### **Article 35**

This articles of Incorporation is established on June 17<sup>th</sup>, 2011

The 1st amendment on August 10<sup>th</sup>, 2011

The 2nd amendment on January 12<sup>th</sup>, 2012

The 3rd amendment on June 27<sup>th</sup>, 2012

The 4th amendment on March 19<sup>th</sup>, 2013

The 5th amendment on May 26<sup>th</sup>, 2014

The 6th amendment on January 19<sup>th</sup>, 2015

The 7th amendment on June 23<sup>th</sup>, 2015

The 8th amendment on June 22<sup>nd</sup>, 2016

The 9th amendment on June 25<sup>th</sup>, 2018



**GlobalWafers Co., Ltd.**  
**環球晶圓股份有限公司**

The 10th amendment on June 25<sup>th</sup>, 2019

The 11th amendment on June 23th, 2020

Implement after approvals from the meeting of stockholders