

Your Target is Our Target



ARTICLES OF INCORPORATION

Chapter 1 General Provision

- Clause 1: The Company is organized according to the Company Act, and named “Solar Applied Materials Technology Corporation”.
- Clause 2: The Company is engaged in several industries as follows,
1. C801010 Basic Industrial Chemical Manufacturing.
 2. C801030 Precision Chemical Materials Manufacturing.
 3. C801990 Other Chemical Materials Manufacturing.
 4. C802090 Cleaning Products Manufacturing.
 5. C802170 Toxic and Concerned Chemical Substances Manufacturing.
 6. C802990 Other Chemical Products Manufacturing.
 7. C803990 Other Petroleum and Charcoal Manufacturing.
 8. C901010 Pottery and Ceramics Products Manufacturing.
 9. C901060 Refractory Materials Manufacturing.
 10. C901990 Other Non-metallic Mineral Products Manufacturing.
 11. CA01090 Aluminum Casting.
 12. CA01100 Aluminum Rolling, Drawing and Extruding.
 13. CA01110 Copper Refining.
 14. CA01120 Copper Casting.
 15. CA01130 Copper Rolling, Drawing and Extruding.
 16. CA01150 Magnesium Casting.
 17. CA01160 Magnesium Rolling, Drawing and Extruding.
 18. CA01990 Other Non-ferrous Metal Basic Industries.
 19. CA02080 Metal Forging.
 20. CA02090 Metal Wire Products Manufacturing.
 21. CA02990 Other Metal Products Manufacturing.
 22. CA03010 Heat Treatment.
 23. CA04010 Surface Treatments.
 24. CA05010 Powder Metallurgy.
 25. CB01020 Affairs Machine Manufacturing.
 26. CB01030 Pollution Controlling Equipment Manufacturing.
 27. CC01090 Manufacture of Batteries and Accumulators.
 28. CG01010 Jewelry and Precious Metals Products Manufacturing.

29. E599010 Pipping Engineering.
30. E603100 Electric Welding Engineering.
31. E603120 Sand Blasting Engineering.
32. E604010 Machinery Installation.
33. EZ99990 Other Engineering.
34. F107060 Toxic and Concerned Chemical Substances Wholesale Trade.
35. F107200 Wholesale of Chemical Feedstock.
36. F112040 Wholesale of Petroleum Products.
37. F115010 Wholesale of Jewelry and Precious Metals.
38. F199010 Wholesale of Recycling Materials.
39. F207060 Toxic and Concerned Chemical Substances Retail.
40. F215010 Retail Sale of Jewelry and Precious Metals.
41. F401010 International Trade.
42. J101030 Waste Disposing.
43. J101040 Waste Treatment.
44. J101060 Wastewater (Sewage) Treatment.
45. J101080 Resource Recycling.
46. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Clause 3: The Company is headquartered in Tainan City, and may set up branches in Taiwan and overseas when necessary pursuant to resolutions adopted by the Board of Directors.

Clause 4: The Company may provide endorsements and guarantees to others based on business needs and the principle of reciprocity.

Clause 5: The Company shall make public announcements in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Clause 6: The total capital of the Company is set at NT\$8 billion, which is divided into 800 million shares at a par value of NT\$10 per share. The Board of Directors is authorized to issue unissued shares in installments based on business needs.

The Company may issue in installments stock warrants, corporate bonds with warrants or preferred shares with warrants totaling up to NT\$120 million out of the the total capital mentioned in the preceding paragraph, which amounts to 12 million shares at a par value of NT\$10 per share.

Clause 6-1: The targets of the Company's treasury share subscription, issuance of employee share options, restricted new employee shares, and cash capital

increase through issuing new shares for employee subscription, may include employees of parents or subsidiaries of the Company meeting certain specific requirements, and the requirements and distribution methods are delegated to the Board of Directors to resolve accordingly.

Clause 6-2: To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders' meeting attended by shareholders representing a majority of total issued shares.

Clause 7: The shares of the Company are registered shares. The share certificates shall be assigned with serial numbers and affixed with the signature or stamp of the director representing the Company. The share certificates shall be duly certified or authenticated by the bank which is competent to certify shares in accordance with the law before they are issued.

Clause 7-1: The Company may be exempted from printing any share certificate for the shares it issues, and shall register the issued shares with a centralized securities depository enterprise.

Clause 8: Transfer of shares shall be handled in accordance with Article 165 of the Company Act.

Chapter 3 Shareholders' Meeting

Clause 9: There are two types of shareholders' meeting, namely annual shareholders' meeting and extraordinary shareholders' meeting. An annual shareholders' meeting shall be convened by the Board of Directors each year within six months after the end of a fiscal year in accordance with Article 172 of the Company Act. An extraordinary shareholders' meeting shall be convened in accordance with the law when necessary. However, shareholders with less than 1,000 shares of the Company may be notified of a shareholders' meeting via public announcements. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be delivered electronically. Voting rights may be exercised by correspondence or electronically at a shareholders' meeting convened by the Company. Voting rights shall be exercised according to the methods stipulated in the relevant regulations.

Clause 9-1: The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Clause 10: When a shareholder is unable to attend a shareholders' meeting for any

reason, the shareholder may appoint a proxy to attend the meeting on his/her behalf by providing a power of attorney in accordance with Article 177 of the Company Act.

- Clause 11: A shareholder shall be entitled to one vote for each share held; however, there are no voting rights for shares specified in Article 179 of the Company Act and the relevant laws and regulations.
- Clause 12: Unless otherwise provided for in the relevant laws, a resolution of a shareholders' meeting shall be adopted with the approval of shareholders representing more than half the voting rights at the meeting attended by shareholders holding more than half the total number of issued shares.

Chapter 4 Directors and Audit Committee

- Clause 13: The Company shall appoint five to nine directors whose term of office is three years. Directors shall be elected from among persons with disposing capacity by the shareholders' meeting. Re-elected directors may serve consecutive terms.

The candidate nomination system shall be adopted in the election of directors in accordance with Article 192-1 of the Company Act. Matters related to the election of directors shall be governed by the relevant laws and regulations, including the Company Act and the Securities and Exchange Act.

The total number of registered shares held by all the directors at the Company shall be subject to the standards stipulated in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance.

- Clause 13-1: Among the directors at the Company mentioned above, there shall be no less than two independent directors, and the number of independent directors may not be less than one-fifth of the total number of directors at the Company. The candidate nomination system shall be adopted in the election of independent directors. Independent directors shall be elected from a list of independent director candidates by the shareholders' meeting. The professional qualifications, restrictions on shareholdings and concurrent positions, methods of nomination and election, and other matters associated with independent directors shall be governed by the relevant rules and regulations promulgated by the competent authority in charge of securities affairs.
- Clause 14: The Board of Directors shall be organized by directors. A chairman shall

be elected from among the directors by a majority vote at a meeting attended by more than two-thirds of the total number of directors at the Company. A vice chairman shall also be elected in the same manner. The Chairman shall represent the Company in public and carry out all the matters associated with the Company in accordance with the relevant laws and regulations, the Company's Articles of Incorporation, and the resolutions adopted by the shareholders' meeting and the Board of Directors at the Company. When convening a Board of Directors' meeting, the reason for convening the meeting shall be specified in the meeting notice. All directors shall be notified of the meeting seven days prior to the date of the Board of Directors' meeting. However, in case of an emergency, a Board of Directors' meeting may be convened at any time. Directors may be notified of the convening of a Board of Directors' meeting as mentioned in the preceding paragraph in writing, by fax or via e-mail.

Clause 15: When the Chairman is on leave or is unable to exercise his/her powers for any reason, a person shall be elected to act on his/her behalf in accordance with Article 208 of the Company Act.

Clause 15-1: Unless otherwise provided for in the Company Act, a Board of Directors' meeting must be attended by more than half the total number of directors. A resolution shall be adopted with the approval of more than half the directors present at the meeting. When a director is unable to attend a Board of Directors' meeting for any reason, the director may appoint other directors to attend the meeting on his/her behalf by providing a power of attorney specifying the scope of authority with reference to the reason for convening the meeting; however, a director may only be appointed to serve as a proxy for one other director only. If a Board of Directors' meeting is convened via video conferencing, directors who participate in the meeting via video conferencing shall be deemed to have attended the meeting in person.

Clause 15-2: When no election of directors is held upon expiration of the existing directors' term of office, their term of office shall be extended until the election and appointment of new directors. However, the competent authority may, ex officio, order the Company to elect new directors within a given time period. In the event that no election of directors is held after the given time period ends, the existing directors shall be discharged upon

expiration of the given time period.

Clause 15-3: When the number of directors falls to less than one-third of the total number of directors required, the Board of Directors shall convene a shareholders' meeting and hold a by-election to fill the vacancies within the time period stipulated in Article 201 of the Company Act.

Clause 15-4: The Company shall establish the Audit Committee and may set up other functional committees. The Audit Committee shall be fully composed of independent directors, and may not comprise less than three people, where one of the members shall be the convener of the committee, and at least one member shall possess accounting or finance expertise. The Audit Committee shall be responsible for performing the duties and responsibilities of supervisors stipulated in the Company Act, the Securities and Exchange Act, and other laws and regulations, as well as complying the relevant laws and regulations and the Company's Articles of Incorporation. The duties and responsibilities of the Audit Committee and related matters shall be governed by the relevant laws and regulations, and shall be established separately by the Board of Directors.

Clause 16: The duties and responsibilities of the Board of Directors at the Company are listed as follows:

1. Review and implement the business policies of the Company.
2. Review financial movements and audit daily revenue and expenditure at the Company.
3. Review the personnel structure of the Company, and appoint and dismiss key personnel.
4. Prepare the budget and final accounts of the Company.
5. Review and deliberate on the business reports of the Company.
6. Formulate proposals for capital increase or reduction at the Company.
7. Formulate proposals for earnings distribution or making up for losses at the Company.
8. Review and sign external contracts.
9. Review documents related to important regulations at the Company.
10. Handle the assets of the Company.
11. Implement the resolutions adopted in Board of Directors' meetings.
12. Perform other duties and responsibilities granted by the relevant laws and regulations and the shareholders' meeting.

Chapter 5 Managers

Clause 17: The Company shall appoint a president. The appointment, discharge, and remuneration of the President shall be handled in accordance with Article

29 of the Company Act.

Clause 18: Deleted.

Chapter 6 Accounting

Clause 19: The Board of Directors shall prepare the following reports and statements at the end of a fiscal year and submit them to the annual shareholders' meeting for recognition thirty days prior to the date of the annual shareholders' meeting: (1) Business report. (2) Financial statements. (3) Proposal for earnings distribution or making up for losses.

Clause 20: If the Company records a profit in a particular year, the Company shall set aside no less than two percent of its profit as employee remuneration and no more than five percent of its profit as directors' remuneration. However, the Company shall reserve a portion of its profit to make up for losses if the Company still records accumulated loss. Employee remuneration may be distributed in the form of shares or cash. The eligible recipients of employee remuneration may include employees at the subsidiaries of the Company who meet specific conditions.

Clause 20-1: If the Company posts a profit in its final accounts for a particular year, besides paying income taxes in accordance with the laws and making up for accumulated losses in previous periods, any remaining profit shall be distributed in the following order:

- I. Setting aside ten percent of the profit as legal reserve; however, this provision shall not apply when the legal reserve has amounted to the total amount of paid-in capital.
- II. When necessary, appropriation or reversal of special earnings reserve in accordance with the law.
- III. For any remaining profit and the undistributed earnings from the previous periods, the Company's Board of Directors shall propose an earnings distribution plan.

The earnings distribution plan shall comply with the regulations from Article 240 of the Company Act; and when the distribution is handled through issuance of new shares, the proposal shall be submitted to the Shareholders' meeting for resolution on the distribution. When the distribution is in cash, the Board of Directors will be authorized to handle the distributions in a meeting attended by more than two-thirds of all Directors and a vote by the majority of the Directors in attendance, and reported to the Shareholders' Meeting.

When the Company distributes new shares or issues cash dividend using all or parts of the legal reserve and paid-in capital based on the ratio of

existing shareholding of the shareholders, in line with regulations from Article 241 of the Company Act, the resolution and the distribution will be handled in line with the aforesaid method.

Clause 20-2: The Company may determine the amount and percentage of earnings to be distributed as dividends for the year and the type of dividends to be distributed for the year based on financial, business, and operational considerations. However, the amount of earnings to be distributed as dividends for the year shall be at least 40 percent of the earnings for the year up to the full amount of the accumulated distributable earnings. Earnings shall be distributed in the form of cash dividends or stock dividends. However, considering the environment to which the Company belongs and its growth in response to its future capital needs and long-term financial planning, the Company shall give priority to earnings distribution in the form of cash dividends, where the amount of dividends to be distributed in the form of cash shall be no less than 50 percent of the total amount of dividends.

Chapter 7 Supplementary Provisions

Clause 21: The amount of the Company's investments in other companies may not exceed 40 percent of its paid-in capital as stipulated in Article 13 of the Company Act.

Clause 22: The Board of Directors shall be authorized to determine the remuneration of directors based on their level of participation and value of contribution to the operations of the Company, as well as by reference to prevailing industry standards. The Company may purchase liability insurance for directors in relation to their scope of duties during their term of office.

Clause 23: Any matters not specified in the Articles of Incorporation shall be governed by the Company Act.

Clause 24: The Company's Articles of Incorporation and bylaws shall be established separately based on the resolutions adopted by the Board of Directors.

Clause 25: The Articles of Incorporation was established on July 14th, 1978. First revision was made on May 29th, 1979. Second revision was made on July 15th, 1983. Third revision was made on June 16th, 1984. Fourth revision was made on July 2nd, 1986. Fifth revision was made on Feb. 23rd, 1987. Sixth revision was made on Mar. 16th, 1987. Seventh revision was made on Sep. 20th, 1988. Eighth revision was made on Oct. 20th, 1990. Ninth revision was made on Nov. 26th, 1990. Tenth revision was made on July 26th, 1993. Eleventh revision was made on Sep. 7th, 1993. Twelfth revision was made on Apr. 15th, 1994. Thirteenth revision was made on

Oct. 22nd, 1994. Fourteenth revision was made on Dec. 19th, 1994. Fifteenth revision was made on Oct. 14th, 1998. Sixteenth revision was made on Sep. 8th, 1999. Seventeenth revision was made on Sep. 28th, 1999. Eighteenth revision was made on May 10th, 2000. Nineteenth revision was made on June 23rd, 2000. Twentieth revision was made on Sep. 19th, 2000. Twenty-First revision was made on Oct. 28th, 2000. Twenty-Second revision was made on Oct. 6th, 2001. Twenty-Third revision was made on April 7th, 2002. Twenty-Fourth revision was made on Nov. 5th, 2002. Twenty-Fifth revision was made on June 30th, 2003. Twenty-Sixth revision was made on June 24th, 2004. Twenty-Seventh revision was made on June 23rd, 2005. Twenty-Eighth revision was made on June 21st, 2006. Twenty-Ninth revision was made on June 13th, 2007. Thirtieth revision was made on June 13th, 2008. Thirty-First revision was made on June 19th, 2009. Thirty-second revision was made on June 15th, 2010. Thirty-third revision was made on June 10th, 2011. Thirty-fourth revision was made on June 21st, 2012. Thirty-fifth revision was made on June 28th, 2013. Thirty-sixth revision was made on June 12th, 2015. Thirty-seventh revision was made on July 19th, 2016. Thirty-eighth revision was made on June 16th, 2017. Thirty-ninth revision was made on June 15th, 2018. Fortieth revision was made on June 28th, 2019. Forty-First revision was made on July 16, 2021. The Forty -Second revision was made on May 31, 2022.