

# **Articles of Incorporation of Phoenix Silicon International Corporation**

## **Section I - General Provisions**

- Article 1     The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 昇陽國際半導體股份有限公司 in the Chinese language, and Phoenix Silicon International Corporation in the English language.
- Article 2     The scope of business of the Corporation shall be as follows :
1. CC01080 Electronic Parts and Components Manufacturing
  2. J101030 Waste removal industry
  3. F401010 International trade
  4. C801990 Other Chemical Materials Manufacturing
  5. C802990 Other Chemical Products Manufacturing
- (1) Researching, developing, manufacturing and sale of the following products :  
Reclaim wafer, test wafer, product wafer.
- (2) Concurrently engaged in import and export trade related to the above products.
- Article 3     The company has a head office in the Hsinchu Science and Technology Park. When necessary, it can set up branches at home and abroad after a resolution of the board of directors.
- Article 4     Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations of the Republic of China.
- Article 5     The Corporation may provide endorsement and guarantee and act as a guarantor.
- Article 5-1   The company may invest in other businesses for business needs and the total amount of the Corporation's reinvestment shall not be subject to there striction of not more than forty percent of the Corporation's paid-up capital as provided in Article 13 of the Company Law.

## Section II - Capital Stock

- Article 6      The total capital stock of the Corporation shall be in the amount of 4,000,000,000 New Taiwan Dollars, divided into 400,000,000 shares, at 10 New Taiwan Dollars each, and authorized board paid-up in installments.
- A total of 400,000,000 New Taiwan Dollars among the above total capital stock should be reserved for issuing employee stock options, 40,000,000 shares in total, at 10 New Taiwan Dollars each, and authorized board paid-up in installments.
- Article 7      The company's stocks are all registered, signed or stamped by the directors representing the company, and issued after obtaining a visa according to law. The shares issued by the company may be exempted from printing stocks, but the registration of the securities centralized custodian institution should be consulted .
- Article 8      All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.
- Article 9      Registration for transfer of shares shall handle in accordance with Article 165 of the Company Law.

## Section III –Shareholders meeting

- Article 10     Shareholders' meetings of the Corporation are of two types, namely:
- (1) regular meetings
  - (2) special meetings
- Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws.
- Article 11     The convening of a shareholders' meeting shall be handled in accordance with Article 172 of the Company Law. Notice of the shareholders' meeting can be made electronically with the consent of the counterpart.
- Article 11-1    The Company's Shareholders' meetings can be held by means of visual

communication network or other means as announced by the Ministry of Economic Affairs.

- Article 12 Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.
- Article 13 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 Company Act and related regulations should follow the rules.
- Article 14 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.
- Article 15 The shareholders' meeting shall be convened by the board of directors. The chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, pursuant to Article 208 of the Company Act, the shareholders' meeting shall be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.
- Article 16 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. The proceedings are produced and distributed electronically. After the company's shares were publicly issued, the proceedings are distributed in a public announcement.

## Section IV - Directors and Audit Committee

- Article 17      The Corporation shall have 5 to 11 Directors. Appointed by shareholders with capacity. Directors have a term of three years. The election of directors adopts the candidate nomination system, and the shareholders' meeting selects from the list of candidates, and re-election may be re-elected.
- Among the number of directors in the preceding paragraph, there must be no less than three independent directors and no less than one-third of the number of directors. The method of nomination for director candidates shall be handled in accordance with Article 192 of the Company Law.
- The company has established an "audit committee" in accordance with Article 14-4 of the Securities Exchange Act, which is composed of all independent directors and is responsible for implementing the supervisory powers of the Company Act, the Securities Exchange Act and other laws and regulations.
- Article 18      The resolutions of the board of directors shall be attended by more than half of the directors, and the consent of more than half of the directors shall be implemented unless otherwise provided in the company law.
- Article 19      The Directors shall elect from among themselves a Chairman of the Board of Directors and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman shall not have a second or casting vote at any meeting of the Board of Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation.
- Article 20      Convene a board of directors in accordance with Article 203 of the Company Law. The convening notice of the board of directors shall be handled in accordance with the provisions of Article 204 of the Company Law, must be called at any time in case of emergency. The convening notice of the board of directors can be made in writing or email.
- Article 21      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 22      Any director who is unable to attend a Board of Directors' meeting shall appoint

another director as his proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director. The directors' participation in the meeting by video is deemed to be attended in person.

Article 23 Directors shall exercise their functions and powers in accordance with resolutions adopted by the board of directors and the shareholders' meeting. The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.

Article 24 In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.

Article 25 The Board of Directors is authorized to determine the salary for the Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

Article 26 The Board of Directors shall set up functional committees. The Committee members' qualifications, duties and related matters shall be in accordance with the related laws and regulations.

## Section 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. The general manager shall be responsible for the overall business and operations of the company and submit a report to the board of directors in accordance with the company's policies.

Article 28 Subject to the provisions of the Company Law of the Republic of China and these Articles of Incorporation, all actions of the Corporation's employees shall be in conformance with, and in furtherance of, the directions of the Board of

Directors.

## Section VI - Financial Reports

Article 29      December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for acceptance:

(1) Business Report

(2) Financial Statements

(3) Proposal Concerning Appropriation of Earnings or Covering of Losses

Article 30      If there is a surplus in the annual final accounts, it should first make up for the losses, pay taxes, and deposit 10% as the statutory surplus reserve. However, the statutory surplus reserve is not included in the total capital. The Company shall provide or revolve special surplus reserves as needed. The balance plus the previously undistributed surplus is the distributable surplus. Depending on the Company's operating conditions, the Board of Directors shall make the shareholder's dividend and dividend distribution proposal and submit the proposal to the shareholders' meeting for resolution.

If the company distributes dividends and bonuses or statutory surplus reserve and capital reserve, if it is paid in cash, the board of directors is authorized to attend with more than two-thirds of the directors, and more than half of the directors present agree to do so, and report to the shareholders meeting. The provisions of the preceding paragraph shall be subject to the resolution of the shareholders meeting.

When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders and the principles of stability and balance in the distribution of dividends. Each year it will set aside as shareholder dividends an amount of not less than 10% of the earnings available for distribution. Dividends to shareholders may be distributed in cash or shares, but in any event the amount of cash dividends may not be less than 50 % of the total dividends.

Article 30-1 The Company shall allocate 10% to 15% of its annual profit as employee compensation. Of the total amount allocated for employee compensation, no less than 25% shall be designated for general (non-executive) employees. The Company may also allocate no more than 2% of its annual profit as directors' remuneration. However, if the Company has accumulated losses, such losses shall be offset prior to any distribution..

The employee compensation could either be distributed via share or cash, entitled employees include subsidiaries' employees who meet the conditions.

The current year's profit situation referred to in the first item refers to the current year's pre-tax benefits minus the distribution of employee's compensation and directors' remuneration.

The employee's compensation and the directors' remuneration, 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.

## Section VII - Supplementary Provisions

Article 31 The internal organization of the Corporation and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 32 In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 33 This articles of incorporation is established on February 20, 1997. The 1st amendment on December 2, 1997. The 2nd amendment on April 12, 2000. The 3rd amendment on May 30, 2001. The 4th amendment on June 19, 2002. The 5th amendment on June 27, 2006. The 6th amendment on June 26, 2007. The 7th amendment on June 30, 2008. The 8th amendment on June 24, 2009. The 9th amendment on June 27, 2012. The 10th amendment on June 26, 2013. The 11th amendment on June 26, 2014. The 12th amendment on May 26, 2015. The 13th amendment on June 29, 2016. The 14th amendment on May 25, 2017. The 15th amendment on Oct 26, 2021. The 16th amendment on May 27, 2022. The 17th amendment on May 28, 2024. The 18th amendment on May 26, 2025.