

## Articles of Incorporation

### Chapter 1 General Rules

Article 1: The Company is organized and named “Everlight Chemical Industrial Corporation” in accordance with the regulations of the Company Act of Taiwan, R.O.C.

Article 2: The Company engages in the following businesses:

1. C802200 Paints, Varnishes, Lacquers, Dyeing Mills and Dyestuff Manufacturing;
2. C802120 Industrial Catalyst Manufacturing;
3. C802990 Other Chemical Products Manufacturing;
4. C802041 Drugs and Medicines Manufacturing;
5. C802060 Animal Use Medicine Manufacturing;
6. C802100 Cosmetics Manufacturing;
7. C801990 Other Chemical Materials Manufacturing;
8. CA04010 Metal Surface Treating;
9. C801010 Basic Industrial Chemical Manufacturing;
- 10.F401010 International Trade;
- 11.C199990 Other Food Manufacturing Not Elsewhere Classified;
- 12.C802110 Manufacturing of Cosmetics Ingredients;
- 13.F108051 Wholesale of Cosmetics Ingredients;
- 14.C114010 Food Additives Manufacturing;
- 15.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is located in Taipei City and may establish branches, factories, representative offices or sales departments whenever necessary. The establishment and abolishment are all conducted in accordance with the

resolutions of the Board of Directors.

Article 4: The publishing of the Company is conducted in accordance with Article 28 of the Company Act.

The total investment amount of the Company is not limited to the restriction of 40% of the Company's paid-in capital as defined in the Company Act.

## Chapter 2 Shares

Article 5: The capital amount of the Company is NT\$ 8 billion, with total share number of 0.8 billion and NT\$ 10 per share. 10 million shares are employee stock option certificates and are issued in batches by the Board of Directors under authorization.

If the issue price of the Company's employee stock option certificates is lower than the common stock closing price of the issuing Japanese company, the Company must have obtained the consent of at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing over one half of total issued shares.

To transfer shares to employees at less than the average actual share repurchase price, before the transfer 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 over one half of total issued shares.

Article 6: The Company's shares are all registered and shall be signed or stamped by at least three directors of the Company. The shares are then issued after been certificated by the competent authority or authorized issuance registration institution.

The shares issued by the Company do not have to be physically printed, and should be registered with the centralized securities depository enterprise.

Article 7: The Company conducts shareholder service operation in accordance with the

“Regulations Governing the Administration of Shareholder Services of Public Companies” mandated by the competent authority.

Article 8: The change of share account name shall not be made within 60 days before a general shareholders' meeting, within 30 days before an ad hoc shareholders' meeting, or within 5 days before the date of the Company's decision to distribute dividends and bonuses or other benefits.

The periods specified in the preceding paragraph shall commence from the applicable convening date of shareholders' meeting or from the applicable record date, as the case may be.

### Chapter 3 Shareholders' Meeting

Article 9: The shareholders' meetings of the Company can be classified as general and ad hoc shareholders' meetings.

1. General shareholders' meeting: A general shareholders' meeting will be convened within 6 months after the end of each fiscal year, and each shareholder will be notified 30 days before the meeting by the Board of Directors.
2. Ad hoc shareholders' meeting: Ad hoc shareholders' meetings may be convened when necessary in accordance with laws, and each shareholder will be notified 15 days before the meeting.

Article 10: The chairman of the shareholders' meeting shall be the Company's Chairman. If the Chairman is on leave, the Vice Chairman serves as the proxy.

Article 11: If a shareholder cannot attend the shareholders' meeting due to several reasons, he/she may appoint a proxy to attend the shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. When a person acts as the proxy for two or more shareholders, the number of voting power

represented by him/her shall not exceed 3% of the total number of issued shares; otherwise, the portion of excessive voting power shall not be counted.

Article 12: Except otherwise regulated by relevant laws, each shareholder of the Company has one vote per share.

Article 13: Unless otherwise specified by the Company Act, the resolutions of the shareholders' meeting require the attendance of shareholders representing more than a half of all shares issued, and is passed if more than a half of the attending shareholders give their consent.

Article 14: The resolution items of the shareholders' meeting shall be recorded as the meeting minutes, which list clearly the date and time period of the meeting, resolution items, name of the chairman, method of resolution and number of attending shareholders, and number of representative shares. The minutes are then signed and stamped by the chairman of the shareholders' meeting, and distributed to each shareholder within 20 days after the shareholders' meeting. The distribution may be made by publishing.

#### Chapter 4 Directors and Audit Committee

Article 15: The Company has 7~11 directors. Among the above directors, three independent directors shall be elected among persons with legal capacity from the shareholders' meeting.

The total registered shares held by all the directors and supervisors shall not be less than a certain percentage of total issued shares of the Company. The total registered shares held by the directors and supervisors mentioned in the above paragraph shall not be less than the percentage specified by the competent authority.

The election of directors shall be done with the candidate nomination system. Shareholders shall elect them from the list of director candidates.

The professional qualifications, shareholdings, concurrent position restrictions, nomination and selection methods of independent directors and

other matters to be complied with shall be handled in accordance with the relevant provisions of the securities authorities and the Company.

Article 16: The Company has set up the Audit Committee and other functional committees.

The Audit Committee is composed of the entire independent directors, one of whom is the convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power of the Audit Committee and other related matters shall be set forth in accordance with the relevant provisions of the securities authorities and the Company.

Article 17: The directors shall serve for a term of three years and may all be re-elected. The term of office may be extended at the expiration of the shareholders' meeting until the re-election date of the general shareholders' meeting.

Article 18: If a director has transferred more than one half of the total number of shares of the Company he/she holds at the time of his/her election as such, then his/her election as a director shall become invalid. When the number of vacancies in the Board of Directors equals to one third of the total number of directors, the Board of Directors shall call, within 60 days, an ad hoc shareholders' meeting to elect succeeding directors to fill the vacancies. The term of office of the elected succeeding directors is limited to the remaining term of the prior directors.

If the directors are re-elected before the last term expires, for the elected directors who have transferred more than one half of the total number of shares of the Company he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of shares he/she held within the share transfer prohibition period prior to the convention of a shareholders' meeting, then his/her election as a director shall become invalid.

Article 19: The board meeting shall be attended by more than two-third of the directors,

and one of the directors shall be elected as the Chairman by the consent of over one-half of the attending directors. One Vice Chairman can also be elected by and among the directors in the same way in accordance with the Articles of Incorporation. The Chairman represents the Company externally. If the Chairman cannot exercise his or her duties due to several reasons, the Vice Chairman can serve as the proxy. If there is no Vice Chairman or the Vice Chairman is also on leave or cannot exercise his or her duties due to several reasons, the Chairman may designate one director to be the proxy. If the Chairman has not designated a proxy, the proxy may be elected by and among the directors.

Article 20: The operation goals and other important matters of the Company are decided by the Board of Directors. Board meetings are convened by Chairman, who also serves as the chairperson of the board meeting. If Chairman is absent, the meeting affairs are handled in accordance with the regulations mentioned in the previous paragraph. The convention of a board meeting may be done in correspondence, by E-mail or FAX, in order to inform each director.

Article 21: The resolutions of the Board of Directors shall be made by the consent of over one-half of the attending directors and the board meeting shall be attended by more than one-half of the directors.

The meeting minutes of the board shall be signed or stamped by the chairperson and kept in the Company, and shall be distributed to each director within 20 days after the board meeting.

If a director cannot attend the meeting due to several reasons, he or she may present a proxy form stating the authorization scope of the convening reasons and the designation of other director as the proxy. The proxy mentioned above is limited to serve as the proxy for only one person.

Article 22: The remuneration of the Company's directors is decided by the Board of Directors under authorization based on their devotion to the Company's

operation and the value of their contribution, no matter the Company realizes profits or losses, and also based on the compensation level of the industry peers.

The Company may purchase liability insurance for the legal compensation liabilities of its directors and important staff within the scope of their business during their term of office.

#### Chapter 5 Managers

Article 23: The Company may appoint one general manager, and several vice general managers, which shall be consented by over one-half of the directors.

Article 24: The General Manager adheres to the commands of Chairman and the resolutions of the Board of Directors to deal with the Company's daily affairs.

Article 25: The General and Vice General Manager shall not concurrently serve in equivalent positions in other companies, and shall not engage in similar businesses by themselves or for others; however, this restriction is relaxed if over one half of the directors have agreed.

#### Chapter 6 Accounting

Article 26: During Jan. 1 and Dec. 31 of the Company's fiscal year, the board shall prepare the following statements and reports and submit to the general shareholders' meeting for recognition: 1. business report; 2. financial statements; and 3. proposals of earnings distribution or loss compensation.

Article 27: If the Company has profits in the current year, it shall appropriate 5% as employee remuneration and no more than 2% as director remuneration. However, when the Company still has accumulated losses, the amount for compensation should be retained in advance.

The parties whose remuneration is paid with stocks or cash defined in the preceding paragraph include the employees of the subordinate companies that are reported to and passed by the Board of Directors.

Article 28: If the Company realizes any earnings in the current year, it shall first pay taxes and reimburse previous losses. If there are any remaining earnings, they shall be appropriated in the following orders: 1. 10% of the legal reserve; 2. special reserve in accordance with relevant laws and regulations (the reversal shall also be conducted in accordance with relevant rules); 3. other accumulated undistributed earnings in the beginning period may serve as distributable earnings; however, a certain amount shall be retained depending on the business condition before distributed as shareholders' bonuses, and shall not be distributed until the motion of earnings distribution is proposed by the Board of Directors to the shareholders' meeting and has been passed. If the shareholders' dividends mentioned in the previous paragraph are distributed with cash, the Board of Directors are authorized to have more than two thirds of directors attending the meeting and over half of the attending directors resolving, and then the resolution is reported to the shareholders' meeting.

Article 29: The Company's dividend policy is in line with the needs of the Company's various business development investments and takes into account the interests of shareholders. In no other special circumstances, the distributed dividends are no less than 50% of the earnings after-tax after deducting legal reserve. The annual cash dividend is not less than 25% of the total dividends. The motion of earnings distribution stated in Article 28 shall be conducted in accordance with this Article.

#### Chapter 7 Additional provisions

Article 30: The Company may make external guarantees for its industry peers or affiliates regarding relevant businesses.

Article 31: If there are incomplete matters in the Articles of Incorporation, they are handled in accordance with the Company Act and other relevant laws and regulations.

Article 32: The Articles of Incorporation were formulated on Aug. 28, 1972.



The first amendment was made on Jul. 28, 1973.  
The second amendment was made on Nov. 16, 1974.  
The third amendment was made on Apr. 15, 1975.  
The fourth amendment was made on May 28, 1977.  
The fifth amendment was made on Jun. 18, 1978.  
The sixth amendment was made on Mar. 17, 1979.  
The seventh amendment was made on Apr. 1, 1980.  
The eighth amendment was made on Mar. 14, 1981.  
The ninth amendment was made on Mar. 20, 1982.  
The tenth amendment was made on Mar. 26, 1983.  
The eleventh amendment was made on Mar. 10, 1984.  
The twelfth amendment was made on Oct. 3, 1985.  
The thirteenth amendment was made on Mar. 28, 1986.  
The fourteenth amendment was made on Apr. 11, 1987.  
The fifteenth amendment was made on Apr. 26, 1988.  
The sixteenth amendment was made on Apr. 27, 1989.  
The seventeenth amendment was made on Apr. 27, 1990.  
The eighteenth amendment was made on May 24, 1991.  
The nineteenth amendment was made on May 15, 1992.  
The twentieth amendment was made on May 21, 1993.  
The twenty-first amendment was made on May 26, 1994.  
The twenty-second amendment was made on May 26, 1995.  
The twenty-third amendment was made on May 24, 1996.  
The twenty-fourth amendment was made on May 22, 1997.  
The twenty-fifth amendment was made on May 22, 1998.  
The twenty-sixth amendment was made on May 20, 1999.  
The twenty-seventh amendment was made on May 19, 2000.  
The twenty-eighth amendment was made on May 18, 2001.

The twenty-ninth amendment was made on Jun. 21, 2002.

The thirtieth amendment was made on Jun. 5, 2003.

The thirty-first amendment was made on Jun. 16, 2005.

The thirty-second amendment was made on Jun. 8, 2006.

The thirty-third amendment was made on Jun. 13, 2008.

The thirty-fourth amendment was made on Jun. 12, 2009.

The thirty-fifth amendment was made on Jun. 9, 2010.

The thirty-sixth amendment was made on May 24, 2011.

The thirty-seventh amendment was made on May 24, 2012.

The thirty-eighth amendment was made on Jun. 11, 2013.

The thirty-ninth amendment was made on Jun. 20, 2014.

The fortieth amendment was made on Jun. 11, 2015.

The forty-first amendment was made on Jun. 15, 2016.

The forty-second amendment was made on Jun. 8, 2017.

The forty-third amendment was made on May 29, 2019.