

# **Visual Photonics Epitaxy Co., Ltd.**

## **Articles of Association**

### **Chapter 1 General**

- Article 1      The Company is organized in accordance with the Company Act and is called Visual Photonics Epitaxy Co., Ltd.
- Article 2      The Company operates the following businesses:
1. CC01080 Electronic parts and components manufacturing business.
  2. F119010 Electronic materials wholesale business.
  3. ZZ99999 Other businesses that are not prohibited or restricted by law, other than businesses requiring approvals.
- Article 2-1     The Company may give guarantees as required for business in accordance with its Procedure for Endorsements and Guarantees.
- Article 2-2     The Company may make investments and the total investment amount is not subject to the limit of 40% paid-in capital under Article 13 of the Company Act, provided that it shall be subject to approval by the board of directors.
- Article 3      The Company has its headquarters in Taoyuan City, Taiwan Province and may set up domestic and overseas branch offices as required in accordance with board resolutions and approvals by the competent authority.
- Article 4      The Company makes public announcements in accordance with Article 28 of the Company Act.

### **Chapter 2 Shares**

- Article 5      The Company's total capital is NT\$3,000,000,000, divided into 300,000,000 shares at NT\$10 per share, which may be issued through multiple issuances.
- Among the total capital under the first paragraph, NT\$150,000,000 is reserved, divided into 15,000,000 shares at NT\$10 per share, for the exercise of warrants by holders of warrants issued by the Company (including employee stock options, warrants attached to corporate bonds and other warrants issued in accordance with the law). The board of directors is authorized to issue such shares through multiple issuances by board resolutions.
- Article 6      Deleted
- Article 7      The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of directors representing the Company, subject to certification by the bank which is competent to certify shares under the laws.
- The Company may issue shares exempted from the requirements about printing of stock certificates and shall register the shares with the centralized securities depository institutions.
- Article 7-1     The Company processes shareholder affairs in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the concerned authority.
- Article 8      Share transfer registration is suspended during a period of 60 days before any general shareholders' meeting, 30 days before any special shareholders' meeting and 5 days before the record date for the distribution of dividends, bonus or other benefits decided upon by the Company.

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

- Article 9      The shareholders' meeting is classified into two types, the annual general meeting and the special shareholders' meeting. The annual general meeting shall be convened once per year within six months after the end of each fiscal year. The special shareholders' meeting shall be

convened according to the laws whenever necessary.

A shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9-1 The meeting date, location and agenda shall be notified to each shareholder and publicly announced 30 days before a general shareholders' meeting and 15 days before a special shareholders' meeting.

Notice to convene shareholders' meetings may be given electronically with the consent of the counterparties. For shareholders with less than 1,000 registered shares, a public announcement may be made in lieu of a meeting notice.

Article 10 Any shareholder who cannot attend a shareholders' meeting may issue a proxy printed by the Company, specifying the scope of authorization and affixed with a signature or seal, appointing a representative to attend the meeting on behalf of the shareholder, subject to the rules in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the securities competent authority.

Article 11 For all shares held by the Company's shareholders, each share is entitled to one voting right unless there is any of the following events:

1. Special shares with no voting rights or restricted voting rights in accordance with sub-paragraph 3, Article 157 of the Company Act.
2. Shares with no voting right in accordance with the second paragraph, Article 179 of the Company Act.

Article 12 Unless otherwise provided by applicable laws, resolutions of shareholders' meetings shall be approved by shareholders representing the majority of voting rights represented in a meeting that is attended by shareholders representing the majority of all outstanding shares.

Article 13 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board of directors. If the chairman is absent, the chairman shall appoint one person to chair the meeting. If the chairman does not make such appointment, the directors shall appoint one person from among themselves. If a shareholders' meeting is convened by a person other than the board of directors, the person who convened the meeting shall chair the meeting. If the meeting is convened by two or more persons, such persons shall appoint one person from among themselves to chair the meeting.

Article 14 Resolutions of shareholders' meetings shall be recorded in the minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting. The minutes may be distributed through public announcements.

#### **Chapter 4 Directors and Audit Committee**

Article 15 The Company shall have 9~11 directors with a term of office of three years, who shall be elected by the shareholders from the list of candidates for director via a candidate nomination system and they shall be eligible for re-election. In the event of any vacancies in the directors, the relevant requirements provided under the Company Act shall apply.

According to Article 14-2 of the Securities and Exchange Act, the Company shall appoint 3 independent directors or more from the directors referred to in the preceding paragraph.

The independent directors' exercise of job duty and other compliance matters shall be governed by the related laws and regulations.

Article 15-1 The Company has an audit committee in accordance with Article 14-4 of the Securities and Exchange Commission. The audit committee is composed of all independent directors, among which one shall be the chairman of the committee and at least one shall have accounting or financial expertise.

Article 15-2 Deleted

- Article 16 The directors make up the board of directors. One chairman shall be elected by the directors from among themselves through the approval of the majority of directors attending a meeting that is attended by 2/3 or more of the directors. The chairman represents the Company.
- The Company may have one vice chairman, to be approved by the majority of directors attending a meeting that is attended by 2/3 or more of the directors.
- If the chairman is on leave or cannot perform his duties due to any reasons, the delegation shall be in accordance with Article 208 of the Company Act.
- To convene a board meeting, a notice with agenda shall be given to each director 7 days in advance, provided that a meeting may be convened at any time in case of an emergency. Notice for board meetings may be issued in writing, by email or by fax.
- Unless otherwise provided for by the Company Act, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of all directors.
- Directors shall attend board meetings in person. Any director who cannot attend a meeting may issue a proxy, specifying the scope of authorization in accordance with the agenda, to appoint another director to attend the meeting on his behalf, provided that each person shall not act as the representative of more than one director. Any director attending a meeting by video conference shall be deemed to have attended the meeting in person.
- Article 17 Deleted
- Article 18 The board of directors is authorized to determine director remuneration based on domestic and overseas industry levels.
- The Company may purchase liability insurance for directors and key employees.

### **Chapter 5 Officers**

- Article 19 The Company may have one general manager and several deputy general managers to handle activities of the Company in accordance with the guidelines established by the board of directors. The general manager shall be hired or dismissed by the majority of all directors. Deputy general managers shall be proposed by the general manager and hired or dismissed by the chairman of the board of directors in accordance with the law and filed with the board of directors for reference.

### **Chapter 6 Accounting**

- Article 20 At the end of each accounting year of the Company, the board of directors shall prepare (1) business report, (2) financial statements and (3) profit distribution or loss compensation proposal and submit them to the general shareholders' meeting for ratification in accordance with the legal procedure.
- Article 21 If the Company makes a profit for the year, it shall allocate 5% to 15% of the profit as employee compensation and no more than 3% as directors' remuneration. However, when the Company still has cumulative deficit, it shall reserve an amount to compensate for it first and then appropriate amounts as employee compensation and directors' remuneration in accordance with the aforementioned percentages.
- Employee compensation is decided by the Board of Directors to be paid in stock or cash via resolution and the recipients may include employees of subsidiaries who meet certain criteria.
- Employee compensation and directors' remuneration distribution proposal shall be submitted to the shareholders' meeting for reporting.
- Article 21-1 If the general annual closing of the Company shows an after-tax net profit in the current period, accumulated losses shall first be compensated for and 10% shall be provisioned as legal reserve, unless the accumulated legal reserve has reached the total amount of the Company's paid-in capital. After a special reserve is provisioned or recycled in accordance with the law or the rules of the competent authority, the remaining amount, together with accumulated distributable profit from undistributed profit from previous years, shall be subject to a distribution proposal to be made by the board of directors, which shall be

submitted for shareholder resolution and distribution.

The Company currently is in a growth stage of industry development, with expanded production plans and funding requirements in the next few years. In order to stabilize market competitive status and based on future funding requirements and long-term financial plans for continued expansion capital scale, the Company's dividends will be distributed and adjusted based on its profitability status in order to maintain stable increase of profit per share. Among such dividends, cash dividends shall not be lower than 10% of the shareholder bonus distributed in the year. The board of directors is authorized to prepare a distribution plan with actual distribution ratios based on the Company's capital status and capital budget and such distribution plan shall be submitted to the shareholders' meeting for approval.

Article 22 Anything that is not fully stipulated in these Articles of Association shall be in accordance with the Company Act and other applicable laws.

Article 23 These Articles of Association were established on 1 November 1996.

The first amendment was made on 11 May 1998.

The second amendment was made on 9 October 1998.

The third amendment was made on 28 January 2000.

The fourth amendment was made on 22 June 2000.

The fifth amendment was made on 13 March 2001.

The sixth amendment was made on 30 May 2002.

The seventh amendment was made on 6 June 2003.

The eighth amendment was made on 15 June 2004.

The ninth amendment was made on 10 June 2005.

The tenth amendment was made on 14 June 2006.

The eleventh amendment was made on 19 June 2008.

The twelfth amendment was made on 16 June 2009.

The thirteenth amendment was made on 17 June 2010.

The fourteenth amendment was made on 10 June 2011.

The fifteenth amendment was made on 27 June 2012.

The sixteenth amendment was made on 12 June 2014.

The seventeenth amendment was made on 9 June 2015.

The eighteenth amendment was made on 21 June 2016.

The nineteenth amendment was made on 8 June 2017.

The twentieth amendment was made on 8 June 2022.

Visual Photonics Epitaxy Co., Ltd.

Chairman: Chen, Jian-Lia

