

**Grand Pacific Petrochemical Corporation**  
**Articles of Incorporation**  
(Post-amendment contents)

Officially resolved in the Board of Directors on March 29, 2022  
Officially resolved in the Shareholders' Meeting on May 20, 2022

**Chapter I      General Provisions**

- Article 1: This Company is duly incorporated under the provisions set forth in the Company Act in the full name of GRAND PACIFIC PETROCHEMICAL CORPORATION (Hereinafter referred to as the Company).
- Article 2: The Company shall engage in business operation within the scope enumerated below:
1. C801020 Petrochemical Manufacturing
  2. C801100 Synthetic Resin & Plastic Manufacturing
  3. C802990 Other Chemical Products Manufacturing
  4. F401010 International Trade
  5. D101050 Cogeneration
  6. D401010 Heat Energy Supplying
  7. G801010 Warehousing and Storage
  8. H701020 Industrial Factory Buildings Lease Construction and Development
  9. F501060 Restaurants
  10. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The aggregate total of outward investment by the Company is free of the 40% of the Company's paid-in capital.
- Article 3: The Company is headquartered in Kaohsiung City of the Republic of China and may have branches or factories established elsewhere at home and abroad as appropriate. The establishment and change of the Headquarters, a branch or factory shall be duly handled exactly as resolved in the Board of Directors.
- Article 4: (Deleted)

**Chapter II      Shares**

- Article 5: The Company's authorized capital amounts to Twenty Billion New Taiwan Dollars, divided into two billion shares at NT\$10 par value. For the unissued shares, the Board of Directors is authorized with plenipotentiary power to issue in partial installments as the actual situations may justify and to issue preferred shares for a part of the unissued shares.
- The Company may issue employee stock option certificates to employees of the Company and its subsidiaries at home and abroad. Amidst the aggregate total of shares

mentioned in the preceding paragraph, 50 million shares may be reserved to issue employee stock option certificates which may be issued in partial installments as resolved by the Board of Directors. Where the Company falls in a need to repurchase itself, the Board of Directors is authorized with plenipotentiary power to duly act as appropriate.

Where the price of subscription to the employee stock option certificates issued by the Company is below the closing price of the Company's common shares on the date of issuance, or where the price of treasury stocks transferred to employees is below the average price of the shares repurchased by the Company, it shall be subject to consent in the shareholders' meeting through one half majority vote cast by participating shareholders who represent two-thirds of the total of voting powers.

The preferred shares issued by the Company in 1984 (listed through Taiwan Stock Exchange Corporation (TWSC) in Stock Code 1312A, (hereinafter referred to as Year 1984 Grand Pacific Preferred Shares) bear the rights & obligations as enumerated below:

1. Allocation of dividend in the terms as set forth under Article 29 of these Articles of Incorporation.
2. Preferential allocation of the Company's residual properties.
3. Other rights equivalent to those borne by common shares.

Article 5-1: The Company's preferred shares bear the rights & obligations and other significant terms for issuance as enumerated below except Year 1984 Grand Pacific Preferred Shares which shall be duly handled in accordance with Article 5 & Article 29 and not subject to provisions set forth under this Article:

1. Preferred shares bear dividend within the maximum limit of 8% per annum, to be counted based on the issuance price per share. The dividend is payable in cash once per annum. The dividend of the preceding year shall be paid on the base day resolved and fixed by the Board of Directors. The amount of dividend in the year of issuance and the year of recovery shall be counted based on the numbers of days of issuances in that year(s). The day of issuance is defined as the base day on which the preferred shares are issued.
2. Toward allocation of preferred share dividend, the Company has a discretionary power and may not allocate to preferred share dividend as resolved in the Board of Directors. In a year while the Company shows no earning in the final account or while the Board of Directors resolves not to allocate preferred share dividend, the preferred share dividend not allocated shall not be accumulated to the subsequent year(s) for deferred payment.
3. The preferred share shareholders supersede common shareholders in allocation of dividend but are next to the shareholders of Year 1984 Grand Pacific Preferred Shares. Except receipt of the dividend mentioned under Subparagraph 2 of this Paragraph, the preferred share shareholders shall not participate in the distribution of earnings of common shares and an event where the capital reserve is allocated for cash dividend or for expansion of capital.
4. The preferred share shareholders supersede common shareholders in allocation of the Company's residual properties but are next to the shareholders of Year 1984 Grand Pacific Preferred Shares. Except Year 1984 Grand Pacific Preferred Shares, the shareholders of all sorts of preferred shares are entitled to the same priority orders in receipt of payments and shall not exceed the amount of issuance.

5. The preferred share shareholders are not entitled to voting power and election power in a shareholders' meeting but are entitled to be elected to be directors; and are entitled to voting powers in the preferred shareholders' meeting and a shareholders' meeting linked up with the rights & obligations of preferred shareholders' meeting.
6. A preferred share shall not be converted into a common share.
7. The preferred shares shall not be fixed with an expiring date. In case of the period of issuance, such period of issuance shall not be shorter than seven (7) years. A preferred shareholder shall not request the Company to retrieve the preferred shares held by him or her. The Company may, nevertheless, fix the retrieving date and the retrieving date so fixed shall not be earlier than the expiring date of a five-year period. After the expiring date or starting from the date of retrieval fixed by the Company, the Company may retrieve the issued preferred shares either in whole or in part at issue price and relevant issuance rules in cash or other method where permitted by law. In the event that where the time is due, the Company is unable to retrieve the preferred shares either in whole or in part as a result of objective factor or force majeure, the rights of the preferred shares not retrieved shall be extended based on the conditions of issuance until the time point when the Company retrieves in full. In the event that the Company resolves to grant dividend in that year, the dividend payable as of the date of retrieval shall be counted based on the number of days of issuance in that year.

For the title of the preferred shares, date of issue and the concrete conditions, the Board of Directors is authorized with plenipotentiary power to handle based on the facts of the capital markets, the investors' intent to subscribe to, the Company's Articles of Incorporation and laws and ordinances concerned at the moment of actual issuance.

Article 6: The Company's share certificates shall be in the registered ones in all events.

Article 7: The Company's share certificates are registered and serially numbered, and shall be signed or affixed with seals by directors that represent the Company, and duly certified by an authorized bank before issuance.

For shares issued by the Company, the Company may be exempted from printing share certificates but shall consult with the Taiwan Depository & Clearing Corporation (TDCC) for registration or custody.

Article 8: The Company's registered share certificates shall bear the shareholders' names, or title of the juristic person if held by a juristic person.

Article 9: Unless otherwise specified in laws and ordinances concerned and rules & regulations regarding securities, the transfer by shareholders for the share certificates, pledge of rights, report-for-loss, inheritance, bestowal as a gift, report-for-loss for or change in registered specimen seal and all sorts of rights of securities of the Company shall be duly handled exactly in accordance with "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 10: (Deleted)

Article 11: (Deleted)

Article 12: Transfer of stock ownership shall be discontinued within sixty (60) days prior to a shareholders' regular meeting, within thirty (30) days prior to a special shareholders meeting and within five (5) days prior to the base day scheduled for allocation of dividend, bonus or other interests.

Article 13: Where a share certificates is lost or stolen, the shareholder or the lawful holder shall duly report to the security authority, fill up the application form for report-for-loss of the share certificates and submit it to the Company for audit registration, petition to the jurisdictional court for the public summons procedures in accordance with the Code of Civil Procedure within five (5) days. That same applicant shall submit the duplicate copy of the application and the photocopy of the receipt issued by the court to the Company otherwise the application shall be abolished. After the public summons procedures are duly ruled by the court, the applicant shall submit one copy of the newspaper bearing the public summons procedures to the Company. Upon expiry of the period for the public summons procedures, the applicant shall apply to the Company based on the judgment issued by the court for reissuance of new share certificates.

Article 14: (Deleted)

### **Chapter III      Shareholders' meeting**

Article 15: The Company's special shareholders meeting shall be duly convened within six (6) months from closing of every fiscal year, with the notices for the meeting to be served to all shareholders thirty (30) days prior to the date scheduled for the shareholders' regular meeting. A special shareholders meeting may be convened whenever necessary with notices to be served to all shareholders fifteen (15) days in advance. The notices mentioned in the preceding paragraph shall bear the date, venue, reasons to convene the meeting. A shareholders' meeting shall be duly convened by the Board of Directors unless otherwise specified in Company Act. Shareholders' meetings may be conducted via video conference or in any other method announced by the central competent authority.

Article 16: A shareholders' meeting shall be duly convened in accordance with Company Act. A shareholder who is unavailable to attend a shareholders' meeting in person may appoint a proxy by issuing a power of attorney (proxy) to expressly bear the scope of the authorized power, duly sign and affix seal thereupon to authorize a proxy to attend on his or her behalf. Except for a trust enterprise or a stock agency approved by the competent authority, when a person who 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 voting powers of the company, otherwise, the portion of excessive voting power shall not be counted. Unless otherwise specified in the Company Act, the participation in a shareholders' meeting by a shareholder through a proxy shall be duly handled exactly in accordance with "Regulations Governing Use of Proxies in the Shareholders' Meeting of Public Companies". A shareholder of the Company may exercise voting power through electronic means. A shareholder who exercises voting power through electronic means is deemed to have

participated in the meeting in person. All relevant issues shall be duly handled in accordance with the laws and ordinances concerned.

Article 17: A shareholders' meeting shall be chaired by the chairman. During the chairman's absence, the shareholders' meeting shall be chaired by the vice chairman. Where the vice chairman is absent either, the chairman shall appoint one director to chair the meeting. Where the chairman does not appoint a director, one director shall be elected from among themselves to chair the meeting.

Article 18: Unless otherwise provided for in the Company Act, decisions in the shareholders' meeting shall be resolved by over one half majority vote in the meeting which is attended by shareholders who represent over one half majority of the total issued shares.

Article 19: With the shares held by shareholders, each share hereof is entitled to one voting power, provided that the Company has no voting power for shares held under Article 179 of the Company Act. Where a juristic person functions as a shareholder of the Company, the representative is not confined to one person. The voting power so exercised shall, nevertheless, still be counted based comprehensively based on the shares so held.

Article 20: Minutes shall be duly worked out for decisions resolved in a shareholders' meeting and shall be duly signed or affixed with seal by the chairperson and served to all shareholders within twenty (20) days after the meeting. The minutes may be served by means of a public announcement.

The minutes of a meeting shall expressly bear the month/day/year, venue of the meeting, name of the chairperson, method of resolution, highlights and outcome of the meeting and shall be archived permanently throughout the period while the Company exists.

The sign-in book for participating shareholders and written proxies shall be archived for one year minimum, provided, that where a shareholder lodges litigation in accordance with Article 189 of the Company Act, the same shall be archived until after the litigation is concluded.

## **Chapter IV      Directors, Audit Committee and Managerial officers**

Article 21: The Company has seven ~ eleven directors to organize the Board of Directors. The directors shall be elected by the shareholders' meeting from the candidates with disposing capacity, with a three-year tenure of office, eligible for reelection. The number of independent directors shall not be below the minimum of three.

Directors are elected under the candidates nomination system as set forth under Article 192~1 of the Company Act. The director candidates shall be nominated, accepted for the candidacy and put into public announcement exactly in accordance with the Company Act, Securities and Exchange Act and laws and ordinances concerned. Both independent directors and non-independent directors shall be elected in the same package with the numbers of elected winners to be counted respectively.

Article 22: In the Board of Directors, through participation by more than two-thirds of total number of directorship seats and one half majority votes of the participating directors, one

chairman and one vice chairman shall be elected. The chairman shall represent the Company externally.

Article 23: Except the first board of directors meeting which shall be duly convened in accordance with Article 203 of the Company Act, all meetings of the board of directors shall be convened and chaired by the chairman. The Board of Directors shall convene one meeting on a quarterly basis as the minimum. The notices to a board of directors meeting shall expressly bear the cause(s) or subject(s) of the meeting and shall be served to all directors seven (7) days in advance. A special meeting may be convened any time as necessary. Unless otherwise provided for in the Company Act, decisions in the board of directors meeting shall be resolved by over one half majority in the meeting attended by directors representing over one half majority of the total number of directors. A director who is unavailable to attend a board of directors meeting may authorize another director to act as his or her proxy. The notices for a board of directors meeting mentioned in the preceding paragraph may be served in writing, e-mail or by FAX.

Article 24: The Company's Board of Directors is subject to the responsibilities and powers as enumerated below:

1. To enact business policies, review business plans and oversee implementation of the business operation.
2. To review budget and final accounts.
3. To propose increase/decrease of capital.
4. To review distribution of earnings.
5. To approve of significant external contracts.
6. To propose amendment to Articles of Incorporation.
7. To review the Company's organizational rules and major articles.
8. To determine establishment, reorganization or dissolution of a branch.
9. To appoint and discharge of the ranking staff above manager level.
10. To convene shareholders' meetings.
11. To approve of procurement and disposal of real estate.

Article 25: The Company shall set up Audit Committee in accordance with Article 14~4 of Securities and Exchange Act. The Audit Committee or the members of the Audit Committee shall execute the responsibilities and powers of the supervisors as bestowed under the Company Act, Securities and Exchange Act and other laws and ordinances concerned.

Article 26: The total of the Company's registered share certificates held by all directors shall be pursuant to the ratios specified under the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the competent authority.

Article 27: The remuneration to directors shall be granted disregarding whether the Company operates at a profit. The Board of Directors is bestowed with the plenipotentiary power to fix the amount of the remuneration to directors at the rate normally profitable in the other companies in the same industry.

Article 28: The Company's fiscal year is starting from January 1 until December 31 of every calendar year. Upon closure of every fiscal year, the Board of Directors shall work out the following documents to be submitted to and acknowledged by the shareholders' regular meeting:

1. Business report.
2. Financial statements.
3. Surplus earnings distribution or loss make-up proposal.

Article 29: The Company shall set aside 1% of the profit earned by the Company in a year as remuneration to employees (No less than 30% of them are assigned to entry-level employees) and a sum within 2% maximum of the profit earned by the Company in a year as remuneration to directors based on the profit status of the year. Where the Company remains in accumulated loss, nevertheless, such loss shall be made up beforehand.

The term "the profit status of the year" as set forth herein denotes the profit before tax in that year after deduction the sum for allocation of remuneration to employees and remuneration to directors.

Employee compensation and entry-level employee compensation may be in the form of stocks or cash, and the recipients may include employees of controlling or subordinate companies who meet certain conditions. Director compensation may only be paid in cash.

The first and third paragraphs shall be implemented by special resolution of the board of directors and reported to the shareholders' meeting.

From the earnings of the Company in a year as shown through the annual account settlement, after the sum to pay tax and make up previous loss, if any, is set aside, a sum 10% out of the balance shall be set aside as legal reserve. The balance of the Company's earnings after annual final account settlement, after payment of tax, making up loss, setting aside 10% legal reserve, setting aside or reversal of special reserve shall be allocable earnings which, along with the unappropriated retained earnings of the preceding year, shall be the accumulated unappropriated retained earnings wherewith, dividend for Year 1984 Grand Pacific Preferred Shares at 6% per annum shall be set aside. In the event that the annual dividend is not allocated in full, the shortage shall be made with the allocable earnings of the ensuing year preferentially. With the balance of the unappropriated retained earnings, the Board of Directors shall propose the percentages of allocation based on laws and ordinances concerned, dividend policies and status of working capital. Where the dividend is allocated by means of issuance of new shares, it shall call for consent from the shareholders' meeting beforehand. When the dividend is allocated in cash, it calls for approval under a decision to be resolved in the Board of Directors.

In accordance with Paragraph 5, Article 240 of the Company Act, the Board of Directors is authorized with plenipotentiary power to resolve a decision through one half majority vote cast by participating directors who constitute two-thirds or more of the total directorship seat to allocate the dividend, bonus or part of legal reserve and capital reserve either in whole or in part under Paragraph 1, Article 241 of the Company Act in cash and to report to the shareholders' meeting.

The Company currently lies amidst the highly changeable industrial environment. The life cycle of the Company is amidst stable growth. The Company shall firmly

dominate the economic environment to assure sustainable operation. Given the Company's long-term financial planning, future capital needs with efforts to protect the interests of shareholders. Except for financial structure improvement, support to investees, capacity expansion or other significant capital expenditures, the amount of dividends distributed may not fall below 10% of the outstanding balance after net income of the year less the offset of accumulated deficits, contribution to legal earnings surplus and special earnings surplus and 6% dividends to Year 1984 Grand Pacific Preferred Shares. The Company shall allocate annual cash dividends are not less than 10% of the total cash and stock dividends of the current year (excluding dividend of Year 1984 Grand Pacific Preferred Shares at 6% per annum).

## **Chapter V      Supplementary provisions**

Article 30: All contracts executed by the Company externally, disregarding the counterparties, shall bear the terms and conditions consistent with the principles of fair competition aiming at the Company's interests in the top concern.

Article 31: The Company's organizational rules and all operational regulations shall be enacted by the Board of Directors separately.

Article 32: The Company may render guarantee services externally. Matters not specified in these Articles of Incorporation, if any, shall be duly handled in accordance with the Company Act and laws and ordinances concerned.

Article 33: These Articles of Incorporation were duly enacted on June 25, 1973.  
Duly amended on June 27, 1974 as the 1<sup>st</sup> amendment.

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Duly amended on May 20, 2022 as the 40<sup>th</sup> amendment.

These Articles of Incorporation shall be put into enforcement after the amendment is duly resolved in the shareholders' meeting.