

# CTCI CORPORATION

## ARTICLES OF INCORPORATION

### Chapter I General

Article 1 This company is incorporated under the Company Act of the Republic of China, in the name of “CTCI Corporation” (hereinafter the “Company”).

Article 2 Scope of the Company’s business activities include the following:

- 1 B101010 Coal Mining
- 2 B102010 Crude Petroleum and Natural Gas
- 3 B201010 Metal Ore Mining
- 4 B202010 Nonmetallic Mining
- 5 B601010 On land Clay and Stone Quarrying
- 6 C801010 Basic Industrial Chemical Manufacturing
- 7 C801020 Petrochemical Manufacturing
- 8 C801030 Precision Chemical Materials Manufacturing
- 9 C801060 Synthetic Rubber Manufacturing
- 10 C801100 Synthetic Resin & Plastic Manufacturing
- 11 C801110 Fertilizer Manufacturing
- 12 C801120 Manmade Fiber Manufacturing
- 13 C801990 Other Chemical Materials Manufacturing
- 14 C802120 Industrial Catalyst Manufacturing
- 15 C802200 Paints, Varnishes, Lacquers, Dyeing Mills and Dyestuff Manufacturing
- 16 C802990 Other Chemical Products Manufacturing
- 17 C901040 Concrete Mixing Manufacturing
- 18 C901050 Cement and Concrete mixing manufacturing
- 19 CA01010 Iron and Steel Refining
- 20 CA01020 Iron and Steel Rolls over Extends and Crowding
- 21 CA01030 Iron and Steel Casting
- 22 CA01050 Iron and Steel Rolling, Drawing, and Extruding
- 23 CA01990 Other Non-ferrous Metal Basic Industries
- 24 CA02010 Metal Architectural Components Manufacturing
- 25 CA02050 Metal Valves Manufacturing
- 26 CA02060 Metal Containers Manufacturing
- 27 CA02080 Metal Forging industry
- 28 CA03010 Metal Heat Treating
- 29 CA04010 Metal Surface Treating
- 30 CB01010 Machinery and Equipment Manufacturing

- 31 CB01030 Pollution Controlling Equipment Manufacturing
- 32 CB01990 Other Machinery Manufacturing Not Elsewhere Classified
- 33 CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
- 34 CC01040 Electric Wires and Cables Manufacturing
- 35 CC01080 Electronic Parts and Components Manufacturing
- 36 CC01090 Batteries Manufacturing
- 37 CC01110 Computers and Computing Peripheral Equipments Manufacturing
- 38 CC01120 Data Storage Media Manufacturing and Duplicating
- 39 CC01990 Electrical Machinery, Supplies Manufacturing
- 40 CD01020 Tramway Cars Manufacturing
- 41 CE01010 Precision Instruments Manufacturing
- 42 D101040 Non-Public Electric Power Generation
- 43 D101050 Steam and Electricity Paragenesis
- 44 D301010 Water Supply
- 45 D401010 Heat Energy Supplying
- 46 E103101 Environmental Protection Construction
- 47 E401010 Dredge Engineering
- 48 E402010 Ballast and Mud Construction on Sea
- 49 E501011 Water Pipe Construction
- 50 E502010 Fuel Pipe Construction
- 51 E599010 Pipe Lines Construction
- 52 E601010 Electric Appliance Construction
- 53 E601020 Electric Appliance Installation
- 54 E603010 Cables Construction
- 55 E603020 Elevator Construction
- 56 E603040 Fire Fighting Equipments Construction
- 57 E603050 Cybernation Equipments Construction
- 58 E603080 Traffic Signals Construction
- 59 E603090 Illumination Equipments Construction
- 60 E603100 Electric Welding Construction
- 61 E603110 Quench Construction
- 62 E603120 Sand Spurting Construction
- 63 E603130 Gas Water Heater Construction
- 64 E604010 Machinery Installation Construction
- 65 E605010 Computing Equipments Installation Construction
- 66 E701020 Channel KU and C of Satellite TV Equipments and Materials Construction

- 67 E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
- 68 E801010 Building Maintenance and Upholstery
- 69 E801020 Doors and Windows Construction
- 70 E801030 Interior Light Rigid Frame Construction
- 71 E801040 Glass Construction
- 72 E801070 Kitchen and Bath Facilities Construction
- 73 E901010 Painting Construction
- 74 E903010 Eroding and Rusting Construction
- 75 EZ02010 Derrick Construction
- 76 EZ03010 Furnace Installation Construction
- 77 EZ05010 Apparatus Installation Construction
- 78 EZ06010 Traffic Labels Construction
- 79 EZ07010 Drilling Construction
- 80 EZ09010 Static Electricity Protecting and Clearing Construction
- 81 EZ13010 Nucleus Construction
- 82 EZ14010 Sports Ground Equipments Construction
- 83 EZ15010 Warming and Cooling Maintenance Construction
- 84 EZ99990 Other Construction
- 85 F106010 Wholesale of Ironware
- 86 F107170 Wholesale of Industrial Catalyst
- 87 F107200 Wholesale of Chemistry Raw Material
- 88 F107990 Wholesale of Other Chemical Products
- 89 F113010 Wholesale of Machinery
- 90 F113020 Wholesale of Household Appliance
- 91 F113030 Wholesale of Precision Instruments
- 92 F113050 Wholesale of Computing and Business Machinery Equipment
- 93 F113060 Wholesale of Metrological Instruments
- 94 F113070 Wholesale of Telecom Instruments
- 95 F113090 Wholesale of Traffic Signal Equipments and Materials
- 96 F113100 Wholesale of Pollution Controlling Equipments
- 97 F114080 Wholesale of Tramway Cars and Parts
- 98 F117010 Wholesale of Fire Fighting Equipments
- 99 F118010 Wholesale of Computer Software
- 100 F119010 Wholesale of Electronic Materials
- 101 F120010 Wholesale of Refractory Materials
- 102 F199010 Wholesale of Recycling Materials
- 103 F199990 Other Wholesale Trade
- 104 F206010 Retail Sale of Ironware
- 105 F207170 Retail Sale of Industrial Catalyst

- 106 F207200 Retail sale of Chemistry Raw Material
- 107 F207990 Retail Sale of Other Chemical Products
- 108 F211010 Retail Sale of Building Materials
- 109 F213010 Retail Sale of Household Appliance
- 110 F213030 Retail sale of Computing and Business Machinery  
Equipment
- 111 F213040 Retail Sale of Precision Instruments
- 112 F213050 Retail Sale of Metrological Instruments
- 113 F213060 Retail Sale of Telecom Instruments
- 114 F213080 Retail Sale of Other Machinery and Equipment
- 115 F213090 Retail Sale of Traffic Signal Equipments and Materials
- 116 F213100 Retail Sale of Pollution Controlling Equipments
- 117 F214080 Retail Sale of Tramway Cars and Parts
- 118 F217010 Retail Sale of Fire Fighting Equipments
- 119 F218010 Retail Sale of Computer Software
- 120 F219010 Retail Sale of Electronic Materials
- 121 F220010 Retail Sale of Refractory Materials
- 122 F299990 Retail Sale of Other Retail Trade Not Elsewhere  
Classified
- 123 F401010 International Trade
- 124 H701010 Residence and Buildings Lease Construction and  
Development
- 125 H701020 Industrial Factory Buildings Lease Construction and  
Development
- 126 H701030 Funeral Places Lease Construction and Development
- 127 H701040 Specialized Field Construction and Development
- 128 H701050 Public Works Construction and Investment
- 129 H701060 New County and Community Construction and  
Investment
- 130 H701070 Land Levy and Delimit
- 131 H701080 Reconstruction within the renewal area
- 132 H701090 Renovation, or maintenance within the renewal area
- 133 H702010 Construction Management
- 134 H703090 Real Estate Commerce
- 135 H703100 Real Estate Rental and Leasing
- 136 H703110 Senior Citizen's Development
- 137 I101061 Engineering Consultancy
- 138 I101070 Agriculture, Forestry, Fishing and Animal Husbandry  
Consultancy
- 139 I102010 Investment Consultancy
- 140 I103060 Manages Consultant Business

- 141 I199990 Other Consultancy
- 142 I301010 Software Design Services
- 143 I301020 Data Processing Services
- 144 I301030 Digital Information Supply Services
- 145 I501010 Product Designing
- 146 I503010 Landscape and Interior Designing
- 147 I599990 Other Designing
- 148 IF01010 Fire Fighting Equipments Overhauling
- 149 IF02010 Electricity Equipments Checking and Maintenance
- 150 IF04010 Harmless Checking Services
- 151 IG01010 Biotechnology Services
- 152 IG02010 Research Development Service
- 153 IG03010 Energy Technical Services
- 154 IZ09010 Management System Verification
- 155 IZ13010 Internet Identify Services
- 156 IZ15010 Marketing Research and Opinion Poll
- 157 IZ99990 Other Industry and Commerce Services Not Elsewhere  
Classified
- 158 J101010 Buildings Cleaning Service
- 159 J101030 Waste Disposing
- 160 J101040 Waste Disposing
- 161 J101050 Sanitary and Pollution Controlling Services
- 162 J101060 Wastewater (Sewage) Treatment
- 163 J101070 Radwaste Disposing Service
- 164 J101080 Waste Recycling
- 165 J101090 Waste Collecting and Disposing
- 166 J101990 Other Environmental Protection Construction
- 167 J399990 Other Publishers Not Elsewhere Classified
- 168 JD01010 Industry and Commerce Credit Bureau Services
- 169 JE01010 Rental and Leasing Business
- 170 ZZ99999 All business items that are not prohibited or restricted  
by law, except those that are subject to special approval

Article 3 The Company has established its headquarter in Taipei, R.O.C., and may establish branches within or outside of the territory of R.O.C.

Article 4 Public announcement of the Company shall be made in accordance with the Company Act and other relevant rules and regulations.

Article 4-1 To the extent of the necessary practice, the Company may make endorsement and guarantee according to the Rules governing

procedure for making of endorsements or guarantees.

## **Chapter II Capitals**

Article 5 The Company has an authorized capital of NT\$9 billion dollars, divided into 900 million shares at NT\$10 dollars par value per share. For shares that are not issued, the Company hereby authorizes the board of directors to issue such shares in installments as necessary by board resolution.

The Company may issue employee stock options in installments as per board resolution. A total of NT\$800 million dollars, divided into 80 million shares at NT\$10 dollars par value per share, amount the above capital should be reserved for issuing employee stock options.

Article 5-1 The total amount of the Company's reinvestment is not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the board of directors.

Article 6 The shares certificates of the Company shall be duly signed and sealed by a minimum of three directors, assigned serial numbers and clearly identified all items as required under Article 162 of the Company Act and shall be issued after having been authenticated by the competent authority or the registration institution issuing the shares. The Company may, upon the request of Taiwan Depository and Clearing Corporation, change the share certificates from 1000 shares per certificate to certificates with larger number of shares and proceed with the relevant procedure accordingly. The stock certificates of the Company may be made without physical certificates. However, the stock of the Company shall be registered with the securities centralized depository institution.

Article 7 The shares of the Company shall be name-bearing shares, clearly identify the real name of each shareholder. Each shareholder shall register its address with the Company. In the event where a shareholder is a juristic person, such shareholder shall register the real name and address of its representative with the Company.

Article 8 With respect to the assignment of a shareholder's shares, unless such assignment is recorded with the Company and the name of the assignee is indicated on the share certificates and the name and address of the assignee recorded on the shareholder roster of the Company, the

rights with respect to such shares shall deem to belong to the original shareholder.

Article 9 In the event where the share certificates are lost or destroyed, the provisions of Criteria Governing Handling of Stock Affairs by Public Companies shall govern.

Article 10 Where new shares are re-issued because of assignment of ownership, loss or damages of shares, the Company may charge a fee sufficient to cover the printing cost.

Article 11 Shareholders shall register their seals with the Company, so as to allow the Company to verify the authenticity of the seals at the time when the shareholders receive dividends or exercise their shareholders' rights.

Article 12 If a shareholder has lost the seal registered with the Company, the shareholder shall proceed in accordance with the provisions of Criteria Governing Handling of Stock Affairs by Public Companies shall govern.

Article 13 No amendment shall be made to the shareholders' roster within sixty days immediately before the general shareholders' meeting, or thirty days immediately before the special shareholders' meeting, or five days before the date on which dividends and bonuses or other benefits are scheduled to be paid by the Company. .

### **Chapter III Shareholders' Meeting**

Article 14 There are two types of shareholders' meeting:

- (1) General shareholders' meeting
- (2) Special shareholders' meeting

General shareholders meeting shall be convened within six months after the end of each fiscal year by the board of directors. Special shareholders' meeting shall be convened in accordance with the laws when necessary.

Article 15 A written notice setting forth the reason for convening the shareholders' meeting shall be sent to each shareholder to its last-known address registered with the Company at least thirty days before the scheduled meeting for general shareholders' meeting or fifteen days before the scheduled meeting for special shareholders' meeting.

Article 16 Except as provided in the Company Act and other relevant rules and regulations, the shareholders' meeting shall only be held if it is attended by shareholders representing more than half of the total number of issued shares. The resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Article 17 (Deleted)

Article 18 Except as provided in the Company Act and other relevant rules and regulations, the shareholder shall have one voting right for each share owned in the Company.

Article 19 Where a shareholder cannot attend the shareholders' meeting, he or she may appoint a representative to attend the meeting and exercise his or her rights on his or her behalf pursuant to Article 177 of the Company Act. The representative does not need to be a shareholder of the Company.

Article 20 The shareholders' meeting shall be chaired by the chairman. In the event where the chairman is absent or cannot exercise its duties for any reasons, Article 208 of the Company Act shall govern.

Article 21 Resolutions adopted at the shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chairman of the shareholders' meeting. The meeting minutes, together with the attendance sheet and proxies, shall be filed and kept at the Company pursuant to the laws.

#### **Chapter IV Directors and Audit Committee**

Article 22 The Company shall have nine to thirteen directors, who shall be elected from people with legal capacity at the shareholders' meeting. However, the total number of the name-bearing shares held by all directors shall not be less than a certain percentage of the total shares issued by the Company. The percentage shall be determined by the regulations of the competent authority.

In compliance with the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least two independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (including independent directors) shall be elected from among the nominees listed



in the roster of director candidates pursuant to the candidates nomination system as specified in Article 192-1 of the Company Act. Compliance matters with respect to independent directors shall comply with the Company Act and the regulations of the competent securities authority.

Article 22-1 The election of directors shall be made in cumulative vote by open ballots. Each share shall enjoy as many votes as the number of directors' positions up for election. Shareholders may concentrate their full share of votes on one or several candidates.

Article 22-2 In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of the entire number of independent directors. The Audit Committee or the members of Audit Committee shall be delegated the power as set forth in the provisions regarding supervisors in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 23 The term of office of directors shall be three years and all directors shall be eligible for re-election.

Article 24 The board of directors shall have the authority to perform the followings:

- (1) Set out business guidelines
- (2) Approve important bylaws and contracts
- (3) Appoint or remove executing officers
- (4) Establish or dissolve branches
- (5) Approve budget and financial reports
- (6) Recommend proposals for the amendment the articles of incorporation, change capital and dissolution or merger of the Company at the shareholders' meeting
- (7) Recommend proposals regarding the allocation of profit or covering losses at the shareholders' meeting
- (8) Decide on other important matters

Article 25 The directors shall elect amongst themselves three to four managing directors who shall include not less than one independent director member pursuant to Article 208 of the Company Act and the managing directors shall elect amongst themselves a chairman and may elect a vice chairman.

Article 26 The Chairman shall externally represent the Company and, when representing the Company externally, the chairman shall act in accordance with the articles of incorporation, the shareholders' resolutions and the board of directors' resolutions.

Article 27 The board meeting shall be chaired by the chairman. In the event where the chairman is absent or cannot exercise its duties for any reasons, Article 208 of the Company Act shall govern.

Article 28 Meetings of the board of directors shall be convened by the chairman of the board of directors, except for the first meeting of each term of the board of directors, which shall be convened by the director who has received the largest number of ballots for exercising voting rights. In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director, by means of written document, email or facsimile, no later than 7 days prior to the scheduled meeting date. However, in case of emergency, a meeting may be convened at any time.

Article 29 A director may, by a written proxy, appoint another director to attend the board meeting on its behalf and may authorize such director to vote on his or her behalf regarding all matters submitted at the meeting; provided that a director may only act as proxy on behalf of one other director.

Article 30 Directors shall carry out its authority pursuant to the resolution adopted at the board meeting. Unless otherwise provided by the Company Act, the board meeting shall be held only if it is attended by more than half of the directors. Resolutions shall be adopted with the concurrence of the majority of the directors present at the meeting.

Article 30-1 The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the Board of Directors.

Article 31 (Deleted)

Article 32 (Deleted)

## **Chapter V Human Resources**

Article 33 The appointment, removal and remuneration of corporate officer of the Company shall be made in accordance to Article 29 of the Company Act.

Article 34 The Company may purchase liability insurance for directors for statutory liabilities that may incur during their terms of office for the execution of business activities.

Article 35 The remuneration of directors, chairman and vice chairman shall be determined by the Board of Directors in reference to the industry standard and their respective contribution.

## **Chapter VI Financial Reports**

Article 36 The fiscal year of the Company shall commence on January 1 of each year until December 31 of the same year. At the end of each fiscal year, the Board of Directors shall prepare the following documents to be audited by the Audit Committee and submitted them for the shareholders' approval at the general meeting of the shareholders:

- (1) Business report
- (2) Financial statements
- (3) Proposal for profit distribution or covering of losses

Article 37 When net profit occurs in the annual accounts, the Company may, after reserving a sufficient amount of the income before tax to cover the accumulated losses, with the resolution of the board of directors, distribute 1.5%~5% of the income before tax to pay to the employees as remuneration, and distribute no more than 1.5% of the income before tax to pay to the board of directors as remuneration. The remuneration could be stock or cash, and the employee remuneration could be distributed to the employees of subsidiaries of the Company under certain conditions.

A report of the distribution of employee remuneration or the board of directors remuneration shall be submitted to the shareholders' meeting.

## **Chapter VII Profit Allocation**

Article 38 The Company shall, after all taxes and dues have been paid and its losses have been covered and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. Furthermore, in accordance with the provisions of laws and

regulations and the rules prescribed by the central competent authority, a special reserve shall be set aside. If there is recovery of the balance of special reserve, the recovered amount shall be included in the distribution of the profit for the current year.

The allocable profit for the current year, which is the balance after the profit distribution and covering losses aforementioned as the preceding Paragraph, together with the undistributed retained earnings accrued from prior years shall be referred to as cumulative distributable earnings, which shall be distributed as dividends to shareholders according to shareholders' resolutions.

In order to meet the requirements in business expansion and industry growth, fulfilling future operating needs and stabilizing financial structure is the priority of the Company's dividend policy. Thus, the distribution of the cumulative distributable earnings accords to the shareholders' resolutions. And, the amount of shareholders' bonus shall not be less than 50% of cumulative distributable earnings of the Company, and in particular cash dividend shall not be less than 20%.

#### **Chapter VIII Miscellaneous**

Article 39 The internal organizational bylaws and procedural rules shall be set out by the Board of Directors.

Article 40 All matters that are not provided for herein shall be subject to the Company Act.

Article 41 These Articles of Incorporation were enacted on March 23, 1979.

The first amendment was approved on April 23, 1981,

the second amendment on December 28, 1982,

the third amendment on July 12, 1983,

the fourth amendment on February 25, 1984,

the fifth amendment on July 7, 1984,

the sixth amendment on March 1, 1985,

the seventh amendment on April 3, 1985,

the eighth amendment on March 20, 1986,

the ninth amendment on April 28, 1986,

the tenth amendment on July 4, 1986,

the eleventh amendment on June 17, 1987,

the twelfth amendment on December 1, 1987,

the thirteenth amendment on May 27, 1988,

the fourteenth amendment on May 30, 1989,

the fifteenth amendment on April 4, 1990,

the sixteenth amendment on June 29, 1990,  
the seventeenth amendment on March 25, 1991,  
the eighteenth amendment on May 20, 1991,  
the nineteenth amendment on May 15, 1992,  
the twentieth amendment on January 29, 1993,  
the twenty-first amendment on May 24, 1994,  
the twenty-second amendment on June 12, 1995,  
the twenty-third amendment on June 10, 1996,  
the twenty-fourth amendment on June 19, 1997,  
the twenty-fifth amendment on June 19, 1998,  
the twenty-sixth amendment on February 8, 1999,  
the twenty-seventh amendment on May 22, 2000,  
the twenty-eighth amendment on May 28, 2001,  
the twenty-ninth amendment on February 8, 2002,  
the thirtieth amendment on June 20, 2002,  
the thirty-first amendment on June 15, 2004,  
the thirty-second amendment on June 14, 2005,  
the thirty-third amendment on June 23, 2006,  
the thirty-fourth amendment on June 15, 2007,  
the thirty-fifth amendment on June 19, 2009,  
the thirty-sixth amendment on June 18, 2010,  
the thirty-seventh amendment on June 22, 2011,  
the thirty-eighth amendment on June 28, 2013,  
the thirty-ninth amendment on June 26, 2014.  
the fortieth amendment on June 22, 2016.

CTCI Corporation  
Chairman John T. Yu