

# **Articles of Incorporation of Formosa Petrochemical Corporation**

Amended by the Annual Shareholders' Meeting on June 14, 2018

Article 1: The Corporation shall be incorporated under the Company Act, and its name shall be FORMOSA PETROCHEMICAL CORPORATION.

Article 2: The scope of business of the Company shall be as follows:

1. B102010 Crude Petroleum and Natural Gas
2. B601010 On land Clay and Stone Quarrying
3. C801010 Basic Industrial Chemical Manufacturing
4. C801020 Petrochemical Manufacturing
5. C801110 Fertilizers Manufacturing
6. C803011 Petroleum Refineries
7. C803990 Other Petroleum and Charcoal Manufacturing
8. C901990 Other Non-metallic Mineral Products  
Manufacturing
9. CA02010 Metal Architectural Components  
Manufacturing
10. D101050 Steam and Electricity Paragenesis
11. D401010 Heat Energy Supplying
12. E401010 Dredge Engineering
13. EZ99990 Other Construction
14. F107050 Wholesale of Manure
15. F107200 Wholesale of Chemistry Raw Material
16. F111090 Wholesale of Building Materials
17. F112010 Wholesale of Gasoline and Diesel Fuel
18. F112020 Wholesale of Coal and Products
19. F112040 Wholesale of Petrochemical Fuel Products
20. F112060 Airport, Harbor and Industry Port Gasoline  
Stations
21. F113060 Wholesale of Metrological Instruments
22. F207200 Retail sale of Chemistry Raw Material
23. F212011 Gasoline Stations
24. F212021 Fishing Vessel Gasoline Stations
25. F212050 Retail Sale of Petrochemical Fuel Products

26. F401010 International Trade
27. F401100 Crude Petroleum Exporting
28. F401151 Petroleum Import
29. F401181 Metrological Instruments Importing
30. G404011 Container Distributing Center Business
31. G406061 Harbor Cargoes Forwarding Services
32. G801010 Warehousing and Storage
33. H701040 Specialized Field Construction and Development
34. ID01010 Metrological Instruments Identify
35. J101040 Waste Disposing
36. J101050 Sanitary and Pollution Controlling Services
37. J101060 Wastewater (Sewage) Treatment
38. JA02051 Metrological Instruments Repairing
39. J202010 Industry Innovation and Incubation Services
40. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Corporation shall have its head office in Yunlin County, Taiwan, and may, pursuant to a resolution adopted at the meeting of the board of directors, set up branch offices in overseas or domestic places.

Article 4: Public announcements of the Company shall be published in accordance with Article 28 of the Company Act.

Article 5: The Corporation may guarantee the relevant enterprises. The amount of the Corporation' transfer investment surpasses 40 percent of the paid-up capital.

## **Chapter 2 Capital Stock**

Article 6: The total capital stock of the Corporation shall be in the amount of NTD 95,259,596,520, divided into 9,525,959,652 at NTD 10 per share, which are fully issued.

Article 7: Shares of the Corporation may be issued without share certificate, provided that a securities custodian institution shall be engaged to perform registration.

Article 8: The registration of stock transfer shall not be processed

within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Corporation for distribution of dividends, bonus or other benefits.

Article 9: (deleted)

Article 10: (deleted)

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

Article 11: Meetings of shareholders of the Corporation are of two kinds. A regular meeting shall be held within six months after the close of each fiscal year by the board of directors pursuant to laws. Special meetings shall be convened by laws whenever necessary. The notification and announcement of the shareholders' meeting shall specify the purpose of the meeting; the notification may process via electronic transmission after the approval of the counterparts.

Article 12: A shareholder who is unable to attend a shareholders' meeting may authorize a proxy to attend the meeting by a power of attorney printed by the Corporation duly signed or sealed and setting forth the vested power. In the event any shareholder who has served the Corporation with his or her written ballot hereof later intends to attend the general meetings in person or exercise his or her voting power by means of a written or electronic transmission, he or she shall, at least two days prior to the date of the meeting, serve the Corporation with a separate declaration of intention to revoke his or her previous declaration of intention. Votes by the proxy shall be valid if the relevant shareholder fails to revoke the declaration of intention before the prescribed time.

Article 13: Each shareholder is entitled to one vote for each share held. But given the circumstances in Article 179 (2) of the Company Act or any other restriction, the shareholder may not have the voting right.

Article 14: Except otherwise provided in the Company Act, the resolutions of shareholders' meeting shall be adopted by a majority vote of the shareholders' present, who represent more than one-half of the total number of voting shares. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting. The electronic method may be adopted for the production and distribution of meeting minutes. The distribution of preceding meeting minutes may be replaced by the announcement made on the MOPS.

#### **Chapter 4 Directors**

Article 15: The Corporation shall have 11 to 15 directors. The election of directors shall be made by the nomination system whereby the shareholders nominate and elect candidates from the candidate list of the directors. The total shares of nominal stocks held by the entire body of directors of an issuer shall not be less than a specified percentage of its total issued shares. The percentage is calculated according to the regulations of the competent authority for securities. Among the aforementioned directors, the number of the independent directors shall be three. The method of nomination and election and other matters for compliance with respect to independent directors shall be reviewed and appraised in accordance with relevant rules of the competent authority in charge of securities affairs. The Corporation pursuant to Article 14 (4) of the Securities and Exchange Act establishes an audit committee which is composed of all independent directors. The exercise of power and other relevant matters of the audit committee and its members shall comply with the Securities and Exchange

Act and other relevant laws and regulations.

The remunerations of directors of the Corporation shall be proposed and submitted to the board of directors for determination taking into account the extent of the involvement of the business operation and the contribution of the directors and the average remuneration level of the industry.

The Corporation may subscribe for liability insurance for directors with respect to liabilities resulting from the exercise of their duties during their terms of service.

Article 16: The board of directors shall be constituted by directors. Five managing directors shall be selected from the directors. At least one independent director shall be selected from the five managing directors. A chairman and a vice chairman shall be selected from the managing directors. The chairman representing the Corporation governs all business of the Corporation.

The Corporation's board of directors may authorize the chairman to exercise the power of the Board during the period of adjournment except for the matters or the related party transaction governed by the laws or relevant regulations or involved the Corporation's material profits, which shall be subject to the Board's resolution. The chairman is authorized with the following power:

1. Approving each significant contract.
2. Approving real estate mortgage loans and other loans.
3. Approving the purchase and sale of the Corporation's general asset and real estate.
4. Appointing directors and supervisors for the transfer investment company.
5. Approving the capital increase date or the record date for reverse split and cash dividend payment date.

Article 17: In case the chairman of the board of directors is on leave or cannot exercise his or her power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.

Article 18: A director shall attend the directors' meeting in person. Should a director be unable to attend a meeting, except for those who live in the overseas subject to other regulations in the Company Act, he or she may grant a proxy statement, which specifies the purpose of the meeting and the scope of authorization, appointing another person to attend on his or her behalf. Any appointee shall not act as proxy for more than one director. Any director attends the meeting via video conference shall be deemed to have attended the meeting in person.

The Corporation shall inform every director the purposes of the meeting 7 days prior to the directors' meeting. But whenever an emergency happens, the Corporation shall immediately convene the meeting. The notice of directors' meeting may be sent in the written form, fax or email.

## **Chapter 5 Managerial Personnel**

Article 19: The Corporation may have several managerial personnel. Appointment, discharge and the remuneration of the managerial personnel shall be in compliance with Article 29 of the Company Act.

## **Chapter 6 Accounting**

Article 20: At the close of each fiscal year, the reports including (1) Business Report, (2) Financial Report and (3) Proposal of Dividend Distribution or Deficit Compensated shall be prepared by the board of directors. They shall also be submitted to the directors' meeting for adoption.

Article 21: If the Corporation has gained profits within a fiscal year, two ten-thousandth and one thousandth of the pretax profits from which the employees' compensation of the year has been deducted shall be reserved as the employees' compensation. However, in case of the accumulate losses, certain profits shall first be reserved to cover them.

The method of determination of the employees' compensation shall comply with Article 235 (1) of the Company Act.

Article 22: Upon closing of accounts, if there is surplus profit, the Corporation shall first pay the tax, make up the losses for the preceding years and then set aside a legal reserve of 10 percent of the net profit. The Corporation shall also appropriate special reserve and then dividends whenever necessary. Distribution of surplus and the undistributed surplus of the corresponding period to the shareholders in dividends shall be proposed by the board of directors and made by the resolutions of the board of shareholders.

The aforementioned special reserve includes:

1. Reserve that are designated for specific purposes.
2. Investment income recognized under equity method.
3. For the recognized net valuation income of financial product transaction, the corresponding amount of the special reserve shall be appropriated for the decreasing amount of the accumulated valuation income. The appropriated special reserve shall not exceed the recognized valuation income.
4. Special reserve appropriated in accordance with the laws or regulations.

The Corporation's business belongs to developed industry. The dividend policy of the Corporation adopts three kinds of method, cash dividend, stock dividend and capital reserve transferred to common stock. The divisible surplus of the fiscal year from which legal reserve and special reserve are deducted shall be appropriated at least 50 percent and give priority to cash dividends. The percentage of the combination of capitalization of earnings and capitalization of capital reserve shall not be over the 50 percent of the overall dividends of the year.

## **Chapter 7 Supplementary Provisions**

Article 23: In regard to those matters not provided for in these articles of Incorporation, the Company Act and other relevant laws

shall govern.

Article 24: These articles of Incorporation were agreed and signed on March 31st 1992.

The 1st amendment was made on May 12th 1992.

The 2nd amendment was made on March 15th 1994.

The 3rd amendment was made on April 29th 1995.

The 4th amendment was made on April 25th 1996.

The 5th amendment was made on June 25th 1997.

The 6th amendment was made on April 15th 1998.

The 7th amendment was made on April 29th 1999.

The 8th amendment was made on May 24th 2000.

The 9th amendment was made on June 6th 2001.

The 10th amendment was made on June 26th 2002.

The 11th amendment was made on May 16th 2003.

The 12th amendment was made on December 18th 2003.

The 13th amendment was made on June 4th 2004.

The 14th amendment was made on May 27th 2005.

The 15th amendment was made on June 9th 2006.

The 16th amendment was made on May 31st 2007.

The 17th amendment was made on May 30th 2008.

The 18th amendment was made on June 4th 2009.

The 19th amendment was made on June 27th 2010.

The 20th amendment was made on June 14th 2012.

The 21st amendment was made on June 10th 2013.

The 22nd amendment was made on June 10th 2014.

The 23rd amendment was made on June 6th 2016.

The 24th amendment was made on June 14th 2018.