

Taiwan Mask Corporation
Articles of Incorporation

May 24, 2023

The amendment was approved by the 2022 general meeting.

Chapter 1 General provisions

- Article 1 The Company shall be organized under the provisions of the Company Act and shall be known in English as TAIWAN MASK CORPORATION.
- Article 2 The business of the Company shall be as follows:
CC01080 Electronics Components Manufacturing.
F401010 International trade
I. Research and development, production, manufacturing and sales of photomask.
II. To provide technical assistance, consulting, testing and certification, maintenance and repair services relating to the aforesaid products.
- Article 2-1 When the Company is a limited liability shareholder of another company, the total amount of its investment shall not exceed 40% of the paid-in capital as provided in Article 13 of the Company Act.
- Article 3 The Company shall establish its head office in the Hsinchu Science Park, and may establish branches outside of Taiwan only with the resolution of the Board of Directors and the consent of the competent authorities when necessary.
- Article 4 The Company may act as a guarantor to external parties.
- Article 5 Deleted

Chapter 2 Shares

- Article 6 The total capital of the Company is set at NT\$5 billion, divided into 500 million shares (including 20 million shares of employee stock options), all of which are common shares with an amount of NT\$10 per share, of which the unissued shares are authorized to be issued by the Board of Directors in installments.
- Article 6-1 Deleted
- Article 7 Deleted
- Article 8 The shares of the Company shall be in registered form, numbered, signed or sealed by the directors representing the Company, and issued after obtaining a certification from a bank permitted by the competent authority for issuance and certification of stocks. The shares issued by the Company may be exempted from printing stocks in accordance with the Company Act, but the shares should be registered with the centralized securities depository institution.
- Article 9 Changes in the shareholder roster of the Company shall cease not later than 60 days prior to the date of the regular shareholders' meeting, not later than 30 days prior to the date of the special shareholders' meeting, or not later than five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.
- Article 10 Deleted

Chapter 3 Shareholders' meeting

- Article 11 There shall be two types of shareholders' meetings: regular meetings shall be held once a year, within six months after the end of each fiscal year, convened by the board of directors in accordance with law, and extraordinary meetings shall be convened when necessary in accordance with law.
- I. An regular shareholders' meeting shall be held at least once a year, within six months after the end of each fiscal year, by the Board of Directors in accordance with the law..
 - II. The special shareholders' meeting may be convened when necessary in accordance with the law..
 - III. The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 12 When a shareholder is unable to attend the shareholder meeting for some reason, the proxy form issued by the Company shall be provided, specifying the scope of authorization, and a proxy shall be appointed to attend.
- Article 13 The shareholders of the Company shall have one voting right per share unless otherwise provided for in the relevant laws.
- Article 14 Unless otherwise required by the Company Act, a resolution in a shareholder meeting should be made with the presence of shareholders representing a majority of the total number of outstanding shares and with the consent of a majority of the voting rights of the shareholders present.

Chapter 4 Directors and Audit Committee

- Article 15 The Company shall have five to seven to nine directors (including at least three independent directors and not less than one-fifth of the number of directors), whose terms of office shall be three years, and whose election shall be made by the candidate nomination system The Company may purchase liability insurance for the Directors by resolution of the Board of Directors.
- Article 15-1 The Company shall have an audit committee consisting of all independent directors, the number of which shall not be less than three, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.
- Article 16 The total amount of shares held by all directors of the Company shall be subject to the provisions of Article 26, Paragraph 2 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.
- Article 17 The Board of Directors shall be organized by the Directors, and the Directors shall attend the Board of Directors' meetings in person, or if they are unable to attend for any reason, they may appoint another Director to attend by proxy.
At a meeting of the Board of Directors, two-thirds or more of the Directors shall attend and a majority of the Directors present shall agree to elect from among themselves a chairman of the Board of Directors, who shall represent the Company externally.
The Board of Directors shall meet at least once a quarter. The Company's Board of

Directors shall convene a meeting by giving seven days' notice to each Director. However, in case of emergency, the Board of Directors may meet at any time. The foregoing notice shall be given in writing, by e-mail or by facsimile, stating the causes and subjects of the meeting.

Article 18 Resolutions regarding significant matters of the Company shall be passed by a majority of the Board of Directors with at least two-thirds of the Directors present, and the significant matters that shall be specially resolved in accordance with this Article are as follows:

- I. Change of the Articles of Incorporation.
- II. Review of budget and final business and accounting reports.
- III. Proposal for dissolution, division or merger of the Company with other companies.
- IV. Proposal for a resolution to distribute earnings or to make up losses.
- V. The approval of endorsements, acceptances, guarantees and commitments in the name of the Company.
- VI. Approval for financing, guarantees, acceptances, and other external advances and loans from financial institutions.
- VII. Approval to invest in other businesses.

If the resolution of the Board of Directors on the significant issues mentioned above is also subject to the resolution of the shareholders' meeting, the resolution of the Board of Directors shall be submitted to the shareholders' meeting for resolution afterwards.

Article 19 If the chairman of the board of directors is absent from office or is unable to exercise his or her duties for any reason, his or her proxy shall be governed by Article 208 of the Company Act.

Article 20 The remuneration of the Company's directors shall be determined by the Board of Directors with reference to the extent of each director's participation in the Company's operations and the value of his or her contribution, and with reference to the usual level of domestic and foreign industry payment standards.

Chapter 5 Managerial Officer

Article 21 The Company may have a number of managerial officers whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 22 At the end of each fiscal year, the Company's Board of Directors shall prepare:

- I. Business Report:
- II. Financial statements
- III. Earnings distribution or losses make-up proposal

The business and accounting reports shall be submitted to the shareholders for adoption in accordance with the law.

Article 23 The Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit situation for director remuneration. However, profits must first be taken to offset against cumulative losses, if any.

Employee remuneration, as mentioned above, can be paid in cash or in shares.

Qualified employees of subsidiaries are also included in the payment.

Current year profit situation as mentioned in the first paragraph refers to the profit which is the current year's pre-tax profit before distribution of employee remuneration and directors remuneration.

The distribution of employee and director remuneration shall be executed after the resolution approval at the Board meeting with more than two-thirds of directors attending and of more than half of the attending directors agreed and passed the resolution, and reported to the shareholders meeting.

Article 23-1 If the Company has any surplus in earnings after annual accounting close, the Company shall first pay tax, make up for accumulated loss of previous years and then set aside 10% as legal reserve. However, if legal reserve balance has reached the Company's paid-in capital, no more legal reserve should be provided for, and the remainder may be appropriated or reversed as a special reserve in accordance with the law or the regulations of the competent authorities. If there is still surplus, the remainder shall be added to the accumulated undistributed earnings and the board of directors shall prepare an earnings distribution proposal. If the distribution is made by issuing new shares, the distribution shall be approved by the shareholders' meeting;
If the Company distributes all or part of the dividends and bonuses or legal reserve and capital surplus in the form of cash, the Board of Directors is authorized to do so with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and to report to the shareholders' meeting.

Article 23-2 The Company takes into account the overall business environment, industrial growth, and the Company's long-term financial planning for stable operation and development to adopt a residual dividend policy, which is mainly based on the Company's future capital budgeting plan to measure the annual capital needs. After using the retained earnings for funding, the remaining surplus will be distributed in the form of dividends.
Steps for distribution as below:
I. Decide on the best capital budget.
II. Decide on the financing required for one of the capital budgeting items.
III. Decide on the amount of the financing to be supported by retained earnings (methods such as cash capital increase or corporate bonds and so on can be adopted as support).
IV. After retaining the portion required for operation needs out of the earnings remainder, the rest should be distributed to shareholders in the form of dividends. Cash dividends distribution proportion should not be lower than 20% of the total amount of dividends for the distribution proportion of the Company's dividends.

Chapter 7 Supplementary Provisions

Article 24 The directors, managerial officers and employees of the Company shall not disclose or divulge to others the confidential documents of the Company or the confidential information on technology, markets, products, etc. obtained through their participation in the operation of the Company.

Detailed confidential information on technology, markets, products, etc. of the Company shall not be reported to the shareholders' meeting without the consent of a majority of the shareholders present and voting on behalf of at least two-thirds of the total number of issued shares.

Article 25 Matters not provided for in these Articles of Incorporation shall be governed by the provisions of the Company Act and other relevant laws and regulations.

Article 26 The Articles of Incorporation were established on October 7, 1988. The 1st amendment was made on May 29, 1990. The 2nd amendment was made on April 2, 1991, and the 3rd amendment was made on May 4, 1992. The 4th amendment was made on April 26, 1994. The 5th amendment was made on May 28, 1994. The 6th amendment was made on June 6, 1995. The 7th amendment was made on June 1, 1996. The 8th amendment was made on May 21, 1997. The 9th amendment was made on May 21, 1998. The 10th amendment was made on May 5, 1999. The 11th amendment was made on June 12, 2000. The 12th amendment was made on April 24, 2001. The 13th amendment was made on May 28, 2002. The 14th amendment was made on June 3, 2003. The 15th amendment was made on June 24, 2004. The 16th amendment was made on June 12, 2006. The 17th amendment was made on June 18, 2010. The 18th amendment was made on June 22, 2011. The 19th amendment was made on June 23, 2016. The 20th amendment was made on June 23, 2017. The 21st amendment was made on June 11, 2019. The 22nd amendment was made on June 10, 2020. The 23rd amendment was made on May 26, 2022. The 24th amendment was made on May 24, 2023.

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Sean Chen, Chairman