

# **Apacer Technology INC**

## **Articles of Incorporation**

### Chapter I General

Article 1: The Company is organized under the Company Act and is named **Apacer Technology Inc.**

Article 2: The Company's scope of business:

- 1 CC01120 Data Storage Media Manufacturing and Duplicating
- 2 CC01080 Electronics Components Manufacturing
- 3 F401010 International Trade
- 4 F118010 Wholesale of Computer Software
- 5 F119010 Wholesale of Electronic Materials
- 6 F218010 Retail Sale of Computer Software
- 7 F219010 Retail Sale of Electronic Materials
- 8 I301010 Software Design Services
- 9 I301020 Data Processing Services
- 10 I301030 Electronic Information Supply Services
- 11 CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- 12 F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 13 F113070 Wholesale of Telecom Instruments
- 14 F213060 Retail Sale of Telecommunication Apparatus
- 15 CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- 16 CC01110 Computer and Peripheral Equipment Manufacturing
- 17 E701040 Simple Telecommunications Equipment Installation
- 18 F113050 Wholesale of Computers and Clerical Machinery Equipment
- 19 F113110 Wholesale of Batteries
- 20 F213110 Retail Sale of Batteries
- 21 F399040 Retail Sale No Storefront
- 22 I501010 Product Designing
- 23 JE01010 Rental and Leasing
- 24 CE01030 Optical Instruments Manufacturing
- 25 E603040 Fire Fighting Equipments Construction
- 26 E603050 Automatic Control Equipment Engineering
- 27 E606010 Power Consuming Equipment Inspecting and Maintenance
- 28 E801010 Indoor Decoration
- 29 I101070 Agriculture, Forestry, Fishing and Livestock Consulting
- 30 I103060 Management Consulting
- 31 I199990 Other Consulting Service
- 32 I301050 Reality Technology Services

- 33 JI01010 Interactive Scenario Experience Services
- 34 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: If the Company is a shareholder with limited liability of another company, the total amount of all investments is not restricted from exceeding 40% of the paid-in capital as stipulated in Article 13 of the Company Act.

Article 4: The Company has the headquarters in New Taipei City, and may establish branches or offices in appropriate locations in Taiwan if necessary by resolution of the board of directors.

Article 5: The announcement method of the Company shall be in accordance with the relevant regulations of the securities regulatory authorities.

## Chapter II Shares

Article 6: The total capital of the Company is set at NT\$2 billion, divided into 200 million shares of NT\$10 each, and the board of directors is authorized to issue the shares in installments. The aforementioned capital stock is reserved at NT\$150 million, divided into 15 million shares at NT\$10 per share, which is reserved for the exercise of stock options and may be issued in installments in accordance with the resolution of the board of directors.

Article 6-1: Employee stock options may be issued at a price lower than the prevailing stock option price during the period when the Company is listed on the emerging stock exchange; if the Company is listed on the stock exchange market, employee stock options may be issued at a price lower than the closing price of the Company's common stock on the date of issuance. The issuance of employee stock options in the manner described above shall be subject to the presence of shareholders representing a majority of the total number of outstanding shares and the approval of at least two-thirds of the voting rights of the shareholders present. To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 6-2: When transferring shares to employees from repurchase, the Company may include full-time employees of the Company and its subsidiaries who meet certain criteria (The term "subsidiary" refers to where the Company directly or indirectly owns more than 50% of the voting rights of the same investee company, either domestically or internationally).

Article 6-3: When issuing new shares or new restricted employee shares, the Company may include full-time employees of the Company and its subsidiaries who meet certain criteria (The term "subsidiary" refers to where the Company directly or indirectly owns more than 50% of the voting rights of the same investee company, either domestically or internationally).

Article 7: The Company's shares shall be issued in registered form with three or more signatures or seals of the directors and shall be licensed by the competent authority or its approved issuing and registering agency. The shares issued by the Company

may be issued without the printing of share certificates but shall be registered with the centralized securities depository; the same applies to the issuance of other securities.

- Article 7-1: When the Company intends to cancel the public offering of its shares, a resolution shall be submitted to the shareholders meeting, and this provision shall not be changed during the period of being listed at emerging stock market and during the period of being listed at the stock market.
- Article 8: Unless otherwise provided by law, the handling of the Company's shareholder services shall be governed by the regulations of the competent authorities.

### Chapter III Shareholders Meeting

- Article 9: There shall be two kinds of shareholders meetings, ordinary and interim. Ordinary meetings shall be convened once a year by the board of directors, within six months after the end of each fiscal year; interim meetings shall be convened as required by law.
- Article 10: In the event that a shareholder is unable to attend the general meeting for any reason, he/she may appoint a proxy to attend the meeting by issuing a letter of proxy issued by the Company specifying the scope of the authority. Except for trust enterprises or stock agencies 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 shares of the Company, otherwise, the portion of excessive voting power shall not be counted. A shareholder shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail.
- Article 11: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.  
The adoption of electronic voting at shareholders' meetings is one of the channels for shareholders to exercise their voting rights, and the related operations shall be carried out in accordance with the regulations of the competent authorities.

### Chapter IV Directors and Committees

- Article 12: The Company has seven to nine directors with a three-year term of office, who are nominated under a candidate nomination system and elected by the shareholders' meeting from a list of candidates and are eligible for re-election. The total number of shares of the Company held by all directors shall not be less than the number prescribed by the competent authority. The Company may purchase liability insurance for the directors within the scope of the directors' business that they are legally liable for.
- Article 12-1: If there are more than three (inclusive) independent directors among the aforementioned number of directorships, the Company shall adopt a candidate nomination system and the shareholders' meeting shall elect the independent

directors from the list of candidates.

The professional qualifications, shareholdings, restrictions on part-time positions, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.

Article 12-2: The Company has an audit committee, which shall consist of all independent directors. The audit committee or members of the audit committee are responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act and other laws and regulations.

Article 13: The board of directors shall be organized by the directors, and a chairperson shall be elected by and from among the directors with the presence of at least two-thirds of the directors and the consent of a majority of the directors present. The board of directors may establish various functional committees.

In calling a meeting of the board of directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time. The notice of the convening of the board of directors may be given in writing, by e-mail or by fax.

Article 14: The scope of duties and powers of the Board of Directors is as follows:

1. To review and supervise the annual business plan.
2. To review budget and final accounts.
3. To propose the distribution of earnings or to cover losses.
4. To propose a capital increase or decrease plan.
5. To approve major capital expenditure plans.
6. To approve the establishment or revocation of a branch office (including an representative office).
7. To propose articles of incorporation or amendments.
8. To review and approve important external contracts or other significant matters.
9. To approve the Company's transfer of investment in other businesses or the sale of shares of the Company's invested businesses.
10. To approve major transactions between the Company and its related parties (including affiliated enterprises).
11. To appoint and remove the general manager and deputy general manager.
12. To approve the disposition of important property acquisition and important system rules.
13. Other duties and responsibilities as assigned by the laws and regulations and the shareholders meeting.

Article 15: If the chairperson cannot perform his/her duty due to certain reason, the assignment of his/her deputy shall be conducted in accordance with the regulations of Article 208 of the Company Act. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

Article 16: Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 16-1: The remuneration of the Company's directors is authorized to be paid by the Compensation Committee to the Board of Directors in accordance with their participation in the Company's operations and the value of their contributions, taking into account domestic and international industry standards, regardless of the Company's operating profit or loss.

If the Company makes a profit in a year, the remuneration to the directors shall not be more than 1.4%. However, if the Company still has accumulated losses, the amount of accumulated losses shall be deducted in advance and the remaining balance shall be allocated. The method of allocation shall be submitted by the Compensation Committee to the Board of Directors for determination.

## Chapter V Managerial Officers

Article 17: The Company shall employ managerial officers to conduct business operations. The appointment and dismissal as well as the salary policies shall be made in accordance with Article 29 of the Company Act. Within the scope of authorization, the managerial officers of the Company shall have the right to manage and sign the Company's affairs, and the relevant authorization shall be determined by the board of directors.

## Chapter VI Accounting

Article 18: At the end of every fiscal year, the board shall submit the papers and lists as below before the start of shareholder's meeting to the shareholders for approval: (1) Business Report; (2) Financial Statement; (3). Proposal on Distribution of Surplus and Recovery of Losses.

Article 19: Due to the rapid changes in the economic and development trends of the industry to which the Company belongs, the Company's dividend policy is based on the current year's earnings, the overall environment, the relevant laws and regulations, the Company's long-term development plan and the prerequisite of a sound financial structure, to adopt a balanced dividend policy, with cash dividends, if any, accounting for at least 10% of the total dividends for the year.

Article 20: If the Company has surpluses in a year, it shall allocate not less than four percent as employee compensation. However, if the Company still has accumulated losses, the amount of accumulated losses shall be deducted in advance and then allocate the aforementioned proportion as compensation. The aforementioned employee compensation may be distributed in cash or in stock to employees of subordinate companies who meet certain criteria, which shall be determined by the board of directors.

Article 21: If there is any surplus in the annual final accounts, after its losses have been covered and all taxes and dues have been paid 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. The Company may pay dividends to the shareholders after setting aside or reversing the special reserve in accordance with the law or the regulations of the competent authority, and retaining the remainder, together with the undistributed earnings of the previous years; except for distributions from the reserve in accordance with the law, the Company may not distribute dividends or bonuses when there is no surplus.

Article 22: Endorsements/guarantees may be made by the Company in connection with its business and investments.

#### Chapter VII Supplementary Provision

Article 23: All matters not provided for in these Articles of Incorporation shall be governed by the Company Act and other laws and regulations.

Article 24: These Articles of Incorporation were established on March 31, 1997

The 1st amendment was made on July 3, 1997

The 2nd amendment was made on November 11, 1997

The 3rd amendment was made on October 14, 1999

The 4th amendment was made on June 22, 2000

The 5th amendment was made on April 30, 2001

The 6th amendment was made on June 20, 2002

The 7th amendment was made on June 23, 2003

The 8th amendment was made on May 24, 2004

The 9th amendment was made on December 6, 2005

The 10th amendment was made on June 20, 2006

The 11th amendment was made on May 31, 2007

The 12th amendment was made on September 14, 2007

The 13th amendment was made on June 16, 2009

The 14th amendment was made on May 26, 2010

The 15th amendment was made on June 13, 2012

The 16th amendment was made on June 25, 2013

The 17th amendment was made on June 3, 2016

The 18th amendment was made on May 26, 2017

(The provisions of this amendment regarding the change of supervisors shall be applicable from June 2018 when the term of office of the current directors or supervisors expires for re-election)

The 19th amendment was made on May 30, 2018

The 20th amendment was made on May 28, 2020

The 21st amendment was made on July 14, 2021