

## **The Companies Law (Revised)**

### **Company Limited by Shares**

#### **10<sup>th</sup> Amended and Restated Memorandum of Association of**

#### **LU HAI HOLDING CORP. 六暉控股股份有限公司**

Adopted by a special resolution passed on the 30<sup>th</sup> day of May, 2023.

##### **Article 1**

The name of the Company is LU HAI HOLDING CORP. 六暉控股股份有限公司

##### **Article 2**

The registered office will be situated at the offices of Portcullis (Cayman) Ltd., the Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, British West Indies or at such other place in the Cayman Islands as the Directors may from time to time decide.

##### **Article 3**

The objects for which the Company is established are unrestricted and the Company shall have full power to carry out any object not prohibited by the Companies Law (Revised) or as the same may be amended from time to time, or any other law of the Cayman Islands.

##### **Article 4**

Subject to the following provisions of the Memorandum the Company shall have and be capable of exercising all of the functions of a natural person irrespective of any question of corporate benefit, as provided by section 27(2) of the Companies Law.

##### **Article 5**

The liability of each Member is limited to the amount from time to time unpaid on such Member's share.

##### **Article 6**

The authorized share capital of the Company is TWD1,800,000,000 consisting of 180,000,000 shares of TWD10.00 provided always that subject to the provisions of

the Companies Law (Revised) as amended and the Articles of Association, the Company shall have power to redeem or purchase any or all of such shares and to sub-divide or consolidate the said shares of any of them and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers hereinbefore provided.

## **The Companies Law (Revised)**

### **Company Limited by Shares**

#### **10<sup>th</sup> Amended and Restated Articles of Association of**

#### **LU HAI HOLDING CORP. 六暉控股股份有限公司**

Adopted by a special resolution passed on the 30<sup>th</sup> day of May, 2023.

#### **Article 1**

The regulations contained or incorporated in Table A in the First Schedule to the Statute shall not apply to this Company.

### **INTERPRETATION**

#### **Article 2**

(a) in these Articles the following items shall have the meaning set opposite unless the context otherwise requires: -

Applicable Public Company Rules	the R.O.C. laws, regulations and rules affecting public companies or companies listed on any R.O.C. stock exchange or securities market, including , without limitation, the relevant provisions of the Company Law, the Securities Exchange Law, the Enterprise Mergers and Acquisitions Law, the Act Governing Relations Between Peoples Of The Taiwan Area And The Mainland Area, and the regulations and rules promulgated by the competent authorities and the stock exchange (including, without limitation, the FSC, the Ministry of Economic Affairs, the TWSE, and the GTSM)
Articles	these Articles of Association of the Company as altered from time to time
Audit Committee	a committee of the Board of Directors, which shall comprise solely of Independent Directors of the Company
Capital Reserve	shall bear the meaning given thereto in the Applicable Public Companies Rules
Company	means the above named company
Debenture	debenture stock, mortgages, bonds and any other such

	securities of the Company whether constituting a charge on the assets of the Company or not
Designated Stock Market	the Taiwan Stock Exchange or the GreTai Securities Market of the R.O.C.
Directors and Board of Directors	the directors of the Company for the time being or, as the case may be, the directors assembled as a board or as a committee thereof
Dividend	includes bonus
Electronic Record	shall have the same meaning as in the Electronic Transactions Law
Electronic Transaction Law	the Electronic Transactions Law (Revised) of the Cayman Islands
FSC	the Financial Supervisory Commission of the R.O.C.
GTSM	the GreTai Securities Market
Independent Directors	the Directors who are elected as “Independent Directors” for the purpose of Applicable Public Company Rules
Legal Capital Reserve	shall bear the meaning given thereto in the Applicable Public Companies Rules
Market Observation Post System	Market Observation Post System of the R.O.C.
Member	a person who is registered as the holder of Shares in the Register of Members
Memorandum	the memorandum of association of the Company adopted by the Members of the Company pursuant to the Statute, as amended or re-stated from time to time
Merger	a transaction whereby <ul style="list-style-type: none"> <li>a)(i) all of the companies participating in such transaction are dissolved and combined into a new company, which new company is incorporated to generally assume all rights and obligations of the combined companies; or (ii) all of the companies participating in such transaction are merged into one of such companies as the surviving company, and the surviving company generally assumes all rights and obligations of the merged companies, and in each case the consideration for the transaction being the shares of the surviving or consolidated company or any other company, cash or other assets; or</li> </ul>

	b) other forms of mergers and acquisitions which fall within the definition of “merger and/or consolidation” under the Statute or Applicable Public Company Rules
Month	a calendar month
Ordinary Resolution	a resolution passed by a simple majority of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company
Preferred Shares	have the meaning as in Article 10
Prevailing Fair Price	shall bear the meaning given thereto in the Applicable Public Companies Rules
Private Placement	obtaining subscription for, or the sale of, shares, options, warrants, rights of holders of debt or equity securities which enable those holders to subscribe further securities (including shares), or other securities of the Company, either by the Company itself or a person authorized by the Company, primarily from or to specific investors or approved by the Company or such authorized person, but excluding any employee incentive programme or subscription agreement, warrant, option or issuance of shares under Article 18.
Registered Office	the registered office for the time being of the Company
Register of Members	the register of Members to be kept by the Company in accordance with the Statute
Remuneration Committee	a committee of the Board of Directors as constituted in accordance with the Applicable Public Company Rules
R.O.C.	Taiwan, the Republic of China
Seal	the common seal of the Company and includes every duplicate seal
Share and Shares	any share in the capital of the Company, including a fraction of a Share
Shareholders’ Service Agent	the agent licensed by Taiwan competent authorities to provide certain shareholders services in accordance with the Applicable Public Company Rules.
Share Exchange	transaction in accordance of R.O.C. Business Mergers and Acquisitions Act by which the Company transfers all its issued shares to another company in exchange for shares, cash or other assets in that company as the consideration for Members of the Company, vice versa.

signed	includes a signature or representation of a signature affixed by mechanical means
Special Capital Reserve	shall bear the meaning given thereto in the Applicable Public Companies Rules
Special Resolution	a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given
Spin-off	an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company.
Statute	the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force
Subsidiary and Subsidiaries	means (i) a subordinate company in which the total number of voting shares or total share equity held by the Company represents more than one half of the total number of issued voting shares or the total share equity of such subordinate company; or (ii) a company in which the total number of shares or total share equity of that company held by the Company, its subordinate companies and its controlled companies, directly or indirectly, represents more than one half of the total number of issued voting shares or the total share equity of such company
Supermajority Resolution	means (i) a resolution adopted by a majority vote of the Members at a general meeting attended by Members who represent two-thirds or more of the total outstanding shares of the Company; or (ii) if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding shares of the Company, but more than one half of the total outstanding shares of the Company, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the total

	number of shares entitled to vote on such resolution at such general meeting
TDCC	the Taiwan Depository & Clearing Corporation
TSE	the Taiwan Stock Exchange
Physical General Meeting	a general meeting which Members attend at the designated place for meeting.
Hybrid General Meeting	means the Company convenes a physical general meeting with the assistance of video conferencing, and Members may choose to take part by means of video conference.
Virtual-only General Meeting	means the Company convenes the meeting only by video, and shareholders may attend the shareholders' meeting only by means of video conferencing.

(b) Unless the context otherwise requires, expressions defined in the Statute and used herein shall have meanings so defined.

(c) In these Articles unless the content otherwise requires: -

- (i) words importing the singular number shall include the plural number and vice-versa;
- (ii) words importing the masculine gender only shall include the feminine gender; and
- (iii) words importing persons only shall include companies or associations or bodies of persons whether incorporated or not.
- (iv) reference to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time.
- (v) any phrase introduced by the terms “including”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- (vi) Section 8 of the Electronic Transactions Law shall not apply.

## COMMENCEMENT OF BUSINESS

### Article 3

- (a) The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.
- (b) The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

**Article 4**

Subject to the provisions of the Statute, the Company shall issue Shares without printing share certificates for the Shares issued, and the details regarding such issue of Shares shall be recorded by TDCC in accordance with the Applicable Public Company Rules. Every person whose name is entered as a member in the Register of Members may be entitled to a certificate in the form determined by the Board of Directors if the Board of Directors resolves that a share certificate shall be issued. Such certificates may be under Seal or with the authorized signature(s) affixed by mechanical process. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles. No new certificate shall be issued until the former certificate representing a like number of shares shall have been surrendered and cancelled.

**Article 5**

In the event that the Board of Directors resolves that the share certificates shall be issued pursuant to Article 4 hereof, the Company shall deliver the share certificates to the subscribers within thirty days from the date such share certificates may be issued pursuant to the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.

**Article 6**

No shares may be registered in the name of more than one Member.

**Article 7**

If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Board of Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old share certificate.

**ISSUE OF SHARES**

**Article 8**

- (a) Subject to the provisions, if any, in the Statute, the Memorandum, the Articles, and the Applicable Public Company Rules (and to any direction that may be



given by the Company in general meeting) and without any prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company with or without preferred, deferred, or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem or purchase any or all of such Shares and to sub-divide or consolidate the said Shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issues shall otherwise expressly provide, every issue of Shares whether stated to be Ordinary, Preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided. PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares, warrants, coupons or certificates.

- (b) The Company shall not issue any unpaid Shares or partly paid-up Shares.

#### **Article 9**

- (a) Subject to the Statute, the Article, and the Applicable Public Company Rules, the Company shall not cancel its Shares, unless a resolution on capital reduction has been adopted by a general meeting; and capital reduction shall be effected based on the percentage of shareholding of the Members pro rata.
- (b) Subject to the Statute and the Applicable Public Company Rules, the Company reducing its capital may redeem Share and return share prices based on par value of the Share to Members by transfer of assets in specie; the returned property and the amount of the transfer of assets in specie for substitution of returned share prices in cash shall require a prior approval of the general meeting and obtain consents from the Members who receive such property.
- (c) The Board of Directors shall first have the value of such property and the amount of such substitutive capital contribution set forth in the Article 9(b) audited and certified by a certified public accountant of the R.O.C. before the general meeting.

### **PREFERRED SHARES**

#### **Article 10**

The Company may issue Shares with rights which are preferential to those of

Ordinary Shares issued by the Company (“Preferred Shares”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution.

#### **Article 11**

Prior to the issuance of any Preferred Shares approved pursuant to Article 10 hereof, the Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms and provided that such rights and obligations of the Preferred Shares shall not contradict the mandatory provisions of Applicable Public Company Rules regarding the rights and obligations of such Preferred Shares, and the same shall apply to any variation of rights of Preferred Shares:

- (a) Order, fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
- (b) Order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
- (c) Order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;
- (d) The method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
- (e) Other matters concerning rights and obligations incidental to Preferred Shares.

### **ISSUANCE OF NEW SHARES**

#### **Article 12**

- (a) The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- (b) Upon each issuance of new Shares, the Directors may reserve a specified percentage of the new Shares for subscription by the employees of the Company and of the Subsidiaries who are determined by the chairman of the Board of Directors in his reasonable discretion as authorized by the Directors.

#### **Article 13**

- (a) Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company proposes to increase its capital by issuing new Shares for cash, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata

portion of any new Shares issues in cash. A waiver of such pre-emptive right may be approved at the same general meeting where the subject issuance of new Shares is approved by the Members. The Company shall state in such announcement and notice to the Members that if any Member fails to purchase his pro rata portion of the newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his pre-emptive right to purchase the newly-issued Shares. Subject to Article 6, in the event that the percentage of Shares held by a Member is insufficient for such Member to exercise the pre-emptive right to subscribe one newly-issued Share, Shares held by several Members may be calculated together for joint subscription of newly-issued Shares or for purchase of newly-issued Shares in the name of a single Member pursuant to the Applicable Public Company Rules. Where a subscriber delays payment for new shares offered by cash capital increase, the Company shall set a period not less than one month and call upon each subscriber to pay up, declaring that in case of default of payment within the stipulated period their right shall be forfeited. Notwithstanding the foregoing, if the Company already set a time limit to make payment for new shares more than one month, the Company may immediately decide that rights of subscription is forfeited in case of default of payment. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may offer any un-subscribed new Shares to be issued to the public in the R.O.C. or to specific person or persons according to the Applicable Public Company Rules.

- (b) Members' rights to subscribe for newly-issued Shares may be transferred independently from the Shares from which such rights are derived. The rules and procedures governing the transfer of rights to subscribe for newly-issued Shares shall be in accordance with policies established by the Company from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

#### **Article 14**

In the event that the Company increases its capital in cash by issuing new Shares in the R.O.C., the Company shall allocate 10% of the total amount of the new Shares to be issued, for public offering in the R.O.C. unless it is not necessary or appropriate, as determined by the Directors pursuant to the Applicable Public Company Rules and/or the instruction of the FSC or Designated Stock Market, for the Company to conduct the aforementioned public offering. Provided, however, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.

### **Article 15**

- (a) Unless otherwise provided in the Articles, the Company may carry out private placement of securities with the following persons upon adoption by the Members at any general meeting of Supermajority Resolution approving the same:
- (i) Banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other legal entity or institutions approved by the competent securities authority in the R.O.C.
  - (ii) Natural persons, legal entity, or funds meeting the conditions prescribed by the competent securities authority in the R.O.C.
  - (iii) Directors, supervisors (if applicable), and managerial officers of the Company or its affiliated enterprises.
- (b) For private placements of ordinary corporate bonds, the private placement may be carried out by installments within one year of the date of the resolution of the Board of Directors meeting.

### **Article 16**

The pre-emptive right of Members provided under Article 13 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes:

- (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
- (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options, including those referenced in Article 18 ;
- (c) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares;
- (d) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares; or
- (e) in connection with a Private Placement.

### **Article 17**

The periods of notice and other rules and procedures for notifying Members and implementing the exercise of the Members' pre-emptive rights shall be in accordance with policies established by the Board of Directors from time to time, which policies shall be in accordance with the Statute, Memorandum, the Articles and the Applicable Public Company Rules.

### **Article 18**

- (a) The Company may, upon approval by a majority of the Board of Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more incentive programmes pursuant to which shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company and its Subsidiaries. The rules and procedures governing such incentive programme(s) shall be in accordance with policies established by the Board of Directors from time to time in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- (b) The options, warrants or other similar instruments issued in accordance with Article 18 (a) above are not transferable save by inheritance.

#### **Article 19**

- (a) The Company may enter into share option agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 18 above, whereby employees may subscribe, within a specific period of time, for a specific number of the Shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
- (b) Any issuance of restricted shares to employees of the Company or of its Subsidiaries shall require the approval of a Supermajority Resolution and be in accordance with the Statute and the Applicable Public Company Rules in respect of amount, price, conditions and any other matter.

#### **Article 20**

- (a) During the period when the Shares are traded on the Designated Stock Market, in the event the Company repurchase its own Shares to transfer them to its employee at less than the average actual repurchase price, it shall adopt a Supermajority Resolution at the next following general meeting, and the following matters shall be stated in the notice of that general meeting, with a summary of the material consent to be discussed, and shall not be brought up as a ad hoc motion:
  - (i) the exercise price, the valuation percentage, the bases of calculations, and the reasonableness thereof;
  - (ii) the number of Shares to be transferred, the purpose, and the reasonableness thereof;
  - (iii) qualification requirements for employees subscribing to Shares, and the number of Shares they are allowed to subscribe for; and
  - (iv) the factors affecting Members' equity, including the expensable amount and

dilution of the Company's earnings per share, and the financial burden which will be imposed on the Company by transferring Shares to employees at less than the average actual repurchase price.

- (b) In the instances where share transfers to employees, under Article 19(a), have been adopted by general meetings and the Shares have been transferred, the aggregate number of Shares thus transferred shall not exceed 5% of the total outstanding Shares of the Company, and the aggregate number of shares subscribed by any single employee shall not exceed 0.5% of total outstanding Shares.
- (c) Any Shares which are repurchased and transferred to the employees of the Company may be subject to transfer restrictions for a period of not longer than two years, in which case the Board of Directors may determine in its discretion.

#### **Article 21**

Directors of the Company and directors of its Subsidiaries shall not be eligible for the incentive programmes under Article 18 above, provided that Directors who are also employees of the Company or its Subsidiaries may participate in an incentive programme in their capacity as an employee and not as a director of the Company or of its Subsidiaries.

### **REGISTER OF MEMBERS**

#### **Article 22**

The Company shall maintain a Register of Members. The Board of Directors shall cause to be kept in one or more books a Register of Members which may be kept within or outside the Cayman Islands at such place as it deems fit.

#### **Article 23**

Notwithstanding anything contained in the Articles and subject to the law of the Cayman Islands, the holders of uncertificated Shares which are traded on the Designated Stock Market shall be recorded by TDCC, and the Company shall recognize as a Member each person identified as a holder of a Share in the records provided by TDCC. Upon receipt of any records of Members from TDCC, the Company shall update the Register of Members in accordance with such records.

#### **Article 24**

For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend, or in order to make a determination of Members for any other purpose, the Directors shall determine the period that the Register of Members shall be closed for transfers and such period shall not be less than the minimum period of time immediately preceding the general meeting, as prescribed by the Applicable Public Company Rules.

#### **Article 25**

Subject to Article 24 hereof, in lieu or, or apart from, closing the Register of Members, the Board of Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or in order to make a determination of Members for any other purpose. In the event the Board of Directors designate a record date in accordance with this Article 25, such record date shall be a date prior to the general meeting, and the Board of Directors shall make a public announcement of such record date via the Market Observation Post System in accordance with the Applicable Public Company Rules.

#### **Article 26**

The rules and procedures governing the implementation of book closed periods, including notices to Members in regard to book closed periods, shall be in accordance with policies adopted by the Board of Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

### **TRANSFER OF SHARES**

#### **Article 27**

Subject to the Statute and the Applicable Public Company Rules, Shares issued by the Company shall be freely transferable, provided that any shares reserved for issuance to the employees of the Company may be subject to transfer restrictions for a period of not longer than two years, in which case the Board of Directors may determine in its discretion.

#### **Article 28**

Subject to the Articles and the Applicable Public Company Rules, a Member may

transfer all or any of his Shares by an instrument of transfer. The instrument of transfer of any share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

#### **Article 29**

The registration of transfers may be suspended when the Register of Members is closed in accordance with Article 24 hereof.

#### **Article 30**

Subject to the requirements of applicable laws of the Cayman Islands, transfers of uncertificated Shares which are traded on the Designated Stock Market may be effected by any method of transferring or dealing in securities introduced by the Designated Stock Market or operated in accordance with the Applicable Public Companies Rules as appropriate.

#### **Article 31**

Notwithstanding Article 28 above, the Board of Directors may, subject to the applicable laws of the Cayman Islands, permit shares of any class held in uncertificated form to be transferred without an instrument of transfer by means of a relevant system, including the TDCC.

### **REPURCHASE OF SHARES**

#### **Article 32**

- (a) Subject to the provisions of the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, the Company may repurchase its own listed securities traded on the Designated Stock Market on such terms as the Board of Directors may from time to time decide by a resolution adopted by a majority vote at a Board of Directors meeting attended by two-thirds or more of the Directors.
- (b) The Board of Directors shall report the execution of the resolution adopted under Article 32(a) at the next following general meeting, and the same shall apply in the event the Company does not repurchase the listed securities for any reason.

#### **Article 33**

The Company may make a payment in respect of its own Shares in any manner permitted by the Statute and the Applicable Public Company Rules.



## VARIATION OF RIGHTS OF SHARES

### **Article 34**

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class. Notwithstanding the foregoing, if any modification or alteration in these Articles is prejudicial to the preferential rights of any class of Shares, such modification or alteration shall be adopted by a Special Resolution of the Company and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of Shares. The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of the same class of Shares.

### **Article 35**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## TRANSMISSION OF SHARES

### **Article 36**

In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.

### **Article 37**

Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) shall give written notice to the Company and, upon such evidence being produced as may from time to time be required by the Directors, may elect, by a notice in writing sent by him, either to be registered himself as holder of the share or to make such transfer

of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof.

## **GENERAL MEETING**

### **Article 38**

All general meetings other than annual general meetings shall be called extraordinary general meetings.

### **Article 39**

The Company shall hold an annual general meeting in each year within six months following the end of each fiscal year and shall specify the meeting as such in the notices calling it.

### **Article 40**

The Directors may, whenever they think fit, convene a general meeting of the Company. For so long as the Shares are traded on the Designated Stock Market, general meetings may also be convened on the written requisition of any Member or Members holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding Shares at the time of requisition and whose Shares shall have been held by such Member(s) for at least one year.

### **Article 41**

The requisition provided in Article 40 above must state in writing the objects of the meeting and the reason therefor and must be signed by the requisitionists and deposited at the registered office of the Company or the Shareholders' Service Agent and may consist of several documents in like form each signed by one or more requisitionists.

### **Article 42**

If the Board of Directors does not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules after applying to the competent authorities and being approved.

### **Article 42-1**

Members continuously holding more than 50% of the total number of outstanding

shares of the Company for a period of three months or a longer time may convene an extraordinary general meeting, and application to the competent authorities is not required.

The calculation of above said holding period and holding number of shares in the preceding sentence shall be based on the Register of Members as of the first date of the book closed period.

#### **Article 43**

(a) Unless otherwise provided by the Statute, the Physical General Meetings shall be held in the R.O.C. During the period when the shares are traded on the Designated Stock Market, if the Board of Directors resolves to hold a Physical General Meeting outside the R.O.C., the Company shall apply for the approval of TSE therefore within two days after the Board of directors adopts such resolution or Members acquire the approval of competent authorities to convene the Physical General Meeting. Where a general meeting is to be held outside the R.O.C., the Company shall engage a professional Shareholders' Service Agent in the R.O.C. to handle the administration matters of such general meeting (including but not limited to the handling of the voting of proxies submitted by any Members).

(b) When a general meeting is convened, it may be convened by a Hybrid General Meeting or a Virtual-only General Meeting, or by any other methods announced publically by competent authorities of the Republic of China. If it is convened by a Hybrid General Meeting or a Virtual-only General Meeting, Members shall be informed about the video conference platform adopted by the Company. And Members taking part in a general meeting by the video conference platform shall be deemed to have attended in person.

(c) When a general meeting is convened by video conference, the conditions, procedure and other matters that the Company shall satisfy or comply must be determined in accordance with Applicable Public Company Rules.

### **NOTICE OF GENERAL MEETINGS**

#### **Article 44**

(a) At least thirty days' notice of an annual general meeting shall be given to each Member and at least fifteen days' notice of any extraordinary general meeting shall be given to each Member. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business. During the period when the Shares are traded on the Designated

Stock Market, the notice of the annual and extraordinary general meetings to be given to Members who own less than 1,000 shares of nominal Shares may be given in the form of a public announcement.

- (b) The Company shall send materials relating to the matters to be discussed in the meeting together with the notice, in accordance with Article 44(a) above, and shall transmit the same via the Market Observation Post System. Where voting powers at a general meeting are to be exercised in writing, a printed ballot shall also be sent to the Members.

#### **Article 45**

The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.

#### **Article 46**

During the period when the Shares are traded on the Designated Stock Market, the Company shall prepare a meeting handbook and supplemental materials for each general meeting, which shall be transmitted to the Market Observation Post System at least 21 days prior to the date of the relevant annual general meeting or 15 days prior to the date of the relevant extraordinary general meeting. However, in the case of the Company's paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.

#### **Article 47**

The following matters shall be stated in the notice of general meetings, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion, and the summary of above said matters may be put on the website(s) designated by the competent authorities or the Company, and address of such website(s) shall be indicated clearly in the notice:

- (a) election or discharge of Directors;
- (b) amendment to these Articles;
- (c) dissolution, Merger, shares swap or Spun-off of the Company
- (d) entry into, amendment to, or termination of any contract for lease of its business

- in whole, or the delegation of management of the Company's business to others or regular joint operation of the Company with others;
- (e) the transfer of the whole or any material part of its business or assets;
  - (f) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (g) ratification of any action of Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business;
  - (h) distribution of the whole or part of the Dividends of the Company in the form of new Shares; distribution of Legal Capital Reserve and Capital Reserve arising from share premium or the income from endowments received by the Company in the form of new Shares to be issued for such purposes or in cash;
  - (i) the Private Placement of any equity-type securities issued by the Company; and
  - (j) transfer shares to the employees under Article 20; and
  - (k) capital deduction; and
  - (l) application to terminate the public offering of the Shares.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **Article 48**

No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Unless otherwise provided in the Articles, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting.

### **Article 49**

Members holding 1% or more of the total number of outstanding Shares immediately prior to the relevant book closed period may propose to the Company a proposal for discussion at a general meeting in writing or by way of electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Board of Directors and approved by an Ordinary Resolution. The following procedure shall apply for making such proposals:

- (a) Proposal shall not be included in the agenda where (i) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (ii) where the matter of such proposal may not be resolved by a general meeting, (iii) the proposing Member has proposed more than one proposal, or (iv) the proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting

Member's proposal.

- (b) Prior to the relevant book closed period, the Company shall, in accordance with the Applicable Public Company Rules, provide a public notice announcing the place and the period for Members to submit proposals to be discussed at the general meeting. The period for accepting such proposals shall be at least 10 days.
- (c) The number of words of a proposal to be submitted by a Member shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The Member who has submitted a proposal shall attend, in person or by a proxy, the general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (d) If the purpose of the proposal is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed in general meeting.
- (e) The Company shall, prior to preparing and delivering the notice of the general meeting, inform in writing all the Members who have submitted proposals pursuant hereto about the proposal screening results, and shall list in the said notice the proposals confirming to the requirements as provided in this Article. With regard to the proposals submitted by Members but not included in the agenda of the general meeting, the cause of exclusion of such proposals and explanation shall be made by the Directors at the general meeting to be convened.

#### **Article 50**

Unless otherwise expressly provided herein and subject to the Applicable Public Company Rules, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been postponed for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with the Articles.

#### **Article 51**

In a general meeting is convened by the Board of Directors, the chairman of the Board of Directors shall preside as the chair of such general meeting. In the event that the

chairman is on a leave of absence, or is unable to exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the general meeting shall elect one from among themselves to act as the chair at such general meeting in lieu of the chairman. If a general meeting is convened by any person(s) other than the Directors, the person(s) who has convened the meeting shall preside as the chairman of such general meeting; and if there is more than one person who has convened a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.

**Article 52**

Unless otherwise expressly required by the Statute, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.

**Article 53**

A resolution put to the vote of the meeting shall be decided on a poll. In computing the required majority when a poll is demanded regard should be had to the number of votes to which each Member is entitled by the Articles. No resolution put to the vote of the meeting shall be decided by a show of hands.

**Article 54**

In the case of an equality of votes, the chairman shall not be entitled to a second or casting vote.

**Article 55**

Nothing in the Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution within 30 days after the passage of such resolution. The Taipei District Court, R.O.C. may be the court of the first instance for adjudicating any disputes arising out of the foregoing.

**Article 56**

Subject to any rights or restrictions for the time being attached to any Shares, every Member who is present in person or by proxy at a general meeting shall have one vote

for each Share of which he is the holder.

**Article 57**

In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's right and the vote of their representative who tenders a vote where in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.

**Article 58**

A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, by his committee or other person in the nature of a committee appointed by that court, and any such committee or other persons may vote by proxy.

**Article 59**

No Member shall be entitled to vote at any general meeting unless he is registered as a Member of the Company on the record date for such meeting nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

**Article 60**

Any objection raised in due time to the qualification of any voter by a Member having voting rights shall be referred to the chairman of the general meeting whose decision shall be final and conclusive.

**Article 61**

Votes may be cast either personally or by proxy. A Member may appoint only one proxy under one instrument to attend and vote at a meeting.

**Article 62**

- (a) During the period when the Shares are traded on the Designated Stock Market, the voting power of a Member at a general meeting may be exercised by way of electronic transmission.
- (b) The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or by way of electronic transmission. A Member who exercise his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed present in person at such general



meeting, but any Member voting in such manner shall not be entitled to notice of and the right to vote in regard to any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting. For the purposes of clarification, such Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc motion and/or amendment to the original agenda items to be resolved at the said general meeting.

- (c) In the event a Member elects to exercise his voting power in writing or by way of electronic transmission, his declaration of intention shall be served to the Company two days prior to the scheduled meeting date of the general meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

### **Article 63**

In the event any Member who has served the Company within his declaration of intention to exercise his voting power by means a written ballot or by means of electronic transmission pursuant to Article 62 hereof later intends to attend general meetings in person, he shall, at least two day prior to the date of the meeting, serve a separate declaration of intention to revoke his previous declaration of intention in the same manner previously used in exercising his voting power. Votes by means of written ballot or electronic transmission shall be valid if the relevant Member fails to revoke the declaration of intention before the prescribed time.

### **Article 64**

Subject to the Statute, the Company may from time to time by Special Resolution:

- (a) change its name;
- (b) alter or add to these Articles; if any alteration of these Articles is prejudicial to the preferential rights of any Preferred Shares, such alteration or modification shall also be adopted in a resolution by a separate meeting of Members of that Preferred Shares.
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; or
- (d) reduce its share capital and any capital redemption reserve in any manner authorized by law.

### **Article 65**

Subject to the Statute, the Company may from time to time by Supermajority Resolution:

- (a) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for delegation of management of the Company's business, or for regular joint operation with others;
- (b) transfer its business or assets, in whole or in any essential part;
- (c) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operation;
- (d) discharge or remove any Director;
- (e) approve any action by one or more Director(s) who is engaging in business conduct for him/herself or on behalf of another person that is within the scope of the Company's business;
- (f) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 123 hereof;
- (g) effect any Merger, Spin-off, Share Exchange, or Private Placement of the Company, provided that any Merger which falls within the definition of "merger and/or consolidation" under the Statute shall also be subject to the requirements of the Statute in addition to the requirement of these Articles; or
- (h) issue restricted shares to employees of the Company or of its Subsidiaries; or
- (i) apply for termination of public offering.

#### **Article 65-1**

During the period when the Shares are traded on the Designated Stock Market, in the event that the Company's listing on the stock exchange is terminated whereby the Company participates in a Merger and is resolved thereafter, or carries on a general transfer, shares swap or Spin-off, while the surviving, transferee, existing or newly incorporated company is not a company listed at stock exchange or the over-the-counter market, it shall be approved by Members who represent two-thirds or more of the total number of issued shares of the Company.

#### **Article 66**

Subject to the Statute, the Company may be wound up voluntarily:

- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 66 (a) above.

**Article 67**

- (a) The instrument appointing a proxy shall be in writing and shall be executed under seal or the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized in that behalf. A proxy need not be a Member of the Company.
- (b) A Member may only execute one instrument of proxy and appoint one proxy only.

**Article 68**

During the period when the Shares are traded on the Designated Stock Market, subject to the Applicable Public Company Rules, except for trust enterprises organized under the laws of the R.O.C. or a Shareholders' Service Agent, in the event a person acts as the proxy for two or more Members, the sum of Shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting Shares immediately prior to the relevant book closed period; any vote in respect of the portion in excess of such 3% threshold shall not be counted.

**Article 69**

In the event that a Member exercise his voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail.

**Article 70**

- (a) During the period when the Shares are traded on the Designated Stock Market, the instrument of proxy shall be deposited at the office of the Company's Shareholders' Service Agent in the R.O.C. or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote where more than one instrument to vote received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.
- (b) After the service of the instrument of proxy to the Company, in the event the Member issuing the said proxy intends to attend the general meeting in person

or to exercise his voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the Company two days prior to the date of the general meeting as scheduled in the general meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

#### **Article 71**

The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (if any). The form of proxy shall be provided by way of post or electronic transmission to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.

#### **Article 72**

For so long as the Shares are traded on the Designated Stock Market, the use and solicitation or proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

#### **Article 73**

- (a) Any corporation which is a Member of record of the Company may in accordance with its Articles or in the absence of such provision by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member of record of the Company.
- (b) If a Member holds Shares for others, such Member may exercise his voting power separately. The qualifications, scope, methods of exercise, operating procedures and other matters with respect to exercising voting power separately in the preceding paragraph shall be in compliance with the Applicable Public Company Rules.

#### **Article 74**

No vote may be exercised with respect to any of the following Shares nor may the

following Shares be counted in the quorum of Members present at the general meeting nor be counted in determining the number of votes of the Members present at the said general meeting:

- (a) the Share held by the Company in accordance with the Statute;
- (b) the Shares held by any Subsidiaries of the Company, where the total number of voting shares or total shares equity held by the Company in such a such Subsidiary represents more than one-half of the total number of voting shares or the total shares equity of such Subsidiary; or
- (c) the Shares held by another company, where the total number of the shares or total shares equity of that company held by the Company and its Subsidiaries directly or indirectly represents more than one-half of the total number of voting shares or the total share equity of such a company.

#### **Article 75**

- (a) A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with those of the Company, shall abstain from voting such Member's Shares in regard to such motion but such Shares may be counted in determining the number of Shares of the Members present at the such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.
- (b) In the event that the creation of a pledge on the Company's Shares held by a Director exceeds one-half of the number of Shares held by the Director when he was elected, the exceeded number of the pledged Shares shall not be counted in the number of votes of Members present at the general meeting.

### **MINUTES OF GENERAL MEETINGS**

#### **Article 76**

All resolutions of the general meeting shall be recorded in meeting minutes stating the date, month, and year of the meeting, place of the meeting, a brief description of the process of the meeting and its result, the name of the chairman of the meeting, number of Member present, number of shares represented, and shall be signed by or affixed the seal of the chairman of the meeting. The meeting minutes shall be announced by means of publication. The meeting minutes shall be properly kept by the Company during the existence of the Company.

### **DISSENTING MEMBER'S APPRAISAL RIGHT**

**Article 77**

In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing of his objection to such a resolution prior to the meeting and has voted against or waived her voting right at the meeting, may request the Company to buy back all of his Shares at the then prevailing fair price:

- (a) The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others;
- (b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (c) The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations.

**Article 78**

During the period when the Shares are traded on designated stock exchange, and subject to the Statute and the Applicable Public Company Rules, in the event any part of the Company's business is Spin-Off, or involved in any Merger or Share Exchange with any other company, the Member, who has forfeited his right to vote on such matter and expressed his dissent therefore, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his Shares at the then prevailing fair price.

**Article 79**

- (a) The request of Members prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types and numbers of Shares to be repurchased, within twenty days after the date of such resolution. In the event the Company has reached an agreement in regard to the purchase price with the requested Member in regard to the Shares of such Member (the "appraisal price"), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In case no agreement is reached, the Company shall pay the fair price it has recognized to the dissenting Member within 90 days since such resolution. If the Company did not pay, the Company shall be deemed as have agreed the price requested by the Member.
- (b) When a Member makes request prescribed in Article 78 hereof, in the event the Company fails to reach such agreement with the Member within sixty days after the

resolution date, the Company must, within thirty days after such sixty-day period has expired, file a petition for a ruling on the appraisal price against all the Members not having agreed yet as the opposing party. And Taiwan Taipei District Court may be the jurisdiction of the first instance.

(c) Shares for which voting right has been waived in the preceding two Articles shall not be counted in the number of votes of shareholders present at the meeting.

## **DIRECTORS**

### **Article 80**

There shall be a Board of Directors consisting of nine (9) to thirteen (13) Directors including at least three Independent Directors, each of whom shall be appointed to a term of office of three years. Directors may be eligible for re-election. The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors subject to the above number limitation provided that the requirements by relevant laws and regulations (including but not limited to any listing requirements) are met.

### **Article 81**

Unless otherwise approved by the Designated Stock Market, not more than half of the total number of Directors can have a spousal relationship or familial relationship within the second degree of kinship with any other Directors.

### **Article 82**

In the event where the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 81 hereof, the non-qualifying Director(s) who was elected within the fewer number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 81 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall vacate his position of Director automatically.

### **Article 83**

During the period when the Shares are traded on the Designated Stock Market, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three Independent Directors. To the extent required by the Applicable Public Company Rules, at least two of the Independent Directors shall be domiciled in the R.O.C.

**Article 84**

Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. During the period when the Shares are traded on the Designated Stock Market, the professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules. The office of Independent Director shall be vacated if the Independent Director becomes ineligible for such position under the Applicable Public Company Rules.

**ELECTION OF DIRECTORS**

**Article 85**

The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 86 below.

**Article 86**

Directors shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, the procedures for which has been approved and adopted by the Directors and also by an Ordinary Resolution, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors to be elected (“Special Ballot Votes”), and the total number of Special Ballot Votes cast by any Member may be consolidated for election of one Director candidate or may be split for election amongst multiple Director candidates, as specified by the Member pursuant to the poll vote ballot. There shall not be votes which are limited to class, party or sector, and any Member shall have the freedom to specify whether to concentrate all of its votes on one or any number of candidate(s) without restriction. A candidate for whom the ballots cast represent a prevailing number of votes shall be deemed a Director elect, and where more than one Director is being elected, the top candidates for whom the votes cast represent a prevailing number of votes relative to the other candidates shall be deemed Directors elect. The rule and procedure for such cumulative voting mechanism shall be in accordance with policies proposed by the Board of Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Memorandum, the Articles, and the Applicable Public Company Rules.

**Article 87**



During the period when the Shares are traded on the Designated Stock Market, Directors (including Independent Directors) shall be elected pursuant to a candidate nomination mechanism which is in compliance with Applicable Public Company Rules. The rules and procedures for such candidate nomination mechanism shall be in accordance with policies established by the Board of Directors and by an Ordinary Resolution from time to time, and such policies shall be in accordance with the Statute, the Memorandum, the Articles, and the Applicable Public Company Rules. For the avoidance of controversy, Directors (excluding Independent Directors) shall be elected by the Members from the list of candidates for Directors (excluding Independent Directors); Independent Directors shall be elected by the Members from the list of candidates for Independent Directors.

#### **Article 88**

If the number of Independent Directors is less than number set forth in the Articles due to the resignation or removal of any of the Independent Directors or any other reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors have resigned or removed or otherwise vacated office, the Board of Directors shall hold, within sixty days, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.

#### **Article 89**

- (a) If the number of Directors is less than five persons due to the vacancy of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the Board of Directors of the Company equals to one third of the total number of Directors elected, the Board of Directors shall hold, within sixty days, an extraordinary general meeting to elect succeeding Directors to fill in the vacancies.
- (b) Prior to the expiration of the term of office of existing Directors, in the event a re-election of all Directors is effected, and in the absence of such resolution that the existing Directors will not be discharged until the expiry of their present term of office, all existing Directors shall be deemed discharged in advance.

### **DIRECTOR'S INTERESTS**

#### **Article 90**

A Director may hold any other office or place or profit under the Company (other than

the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

### **Article 91**

The Directors shall be authorized and delegated the power to set remuneration for all Directors; provided that during the Shares are traded on the Designated Stock Market, the amount of such remuneration shall be determined by the Remuneration Committee. Directors' remuneration shall be in accordance with their involvement to the operation of the Company, their contribution to the Company, and Taiwan and international standards in the industry, and in consideration of whether the Company has profits or suffers losses. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning for the meetings of the Board of Directors, any committee appointed by the Board of Directors, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to other remuneration as may be appropriate in accordance with the Statute, the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market), the service agreement or other similar contract that he has entered into with the Company.

### **Article 92**

Subject to the Statute and the Applicable Public Company Rules, a Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing contained herein shall authorize a Director or his firm to act as auditor to the Company.

### **Article 93**

A Director who engages in conduct either for himself or on behalf of another person within the scope of the Company's business, shall disclose to Members, at a general meeting prior to such conduct, a summary of the major elements of such interest and obtain the ratification of the Members at such general meeting by a Super Majority Resolution vote. In case a Director engages in business conduct for himself or on behalf of another person in violation of this Article 93, the Members may, by Ordinary Resolution, require the disgorgement of any and all earnings derived from such act, except when at least one year has lapsed since the realization of such associated earnings.

#### **Article 94**

- (a) A director who has a personal interest in the matter under discussion at a meeting of Board of Directors shall explain to the Directors the essential contents of such personal interest. When the Company is involved in any Merger and acquisition, a Director of the Company who has a personal interest in the transaction of Merger and acquisition shall explain to the meeting of the Board of Directors and the general meeting the essential contents of such personal interest and the cause of approval or dissent to the resolution of Merger and acquisition. The Company shall also explain the essential contents of directors' personal interest and the cause of approval or dissent to the resolution of Merger and acquisition in the notice of that general meeting, and such content may be posted on the website designated by the competent authority in charge of securities affairs of the Republic of China or the company, and the address of such website shall be indicated in the above notice.

Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director has interests in the matters under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.

- (b) A Director who has a personal interest in the matter under discussion at a meeting of the Board of Directors, which may conflict with the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director, the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of the votes of Directors present at the board meeting.

#### **Article 95**

- (a) Subject to the provisions of the Statute, the Articles, the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market) and any resolution made in a general meeting, the business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company.
- (b) The Directors of the Company shall have a fiduciary duty and shall conduct business operation of the Company in due care and diligence and be responsible for any damages sustained by the Company due to his violation therefrom. If any act by a Director in violation of the preceding paragraph is for the Director himself or for other person, the general meeting of Members may adopt a

- resolution to consider the earning in such an act as earnings of the Company.
- (c) If a Director of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, the Director and the Company shall be jointly and severally liable for the damage to such other person.
  - (d) The duties and responsibility for which the directors are liable shall also apply to a manager of the Company acting within the scope of his duties.

#### **Article 96**

The Board of Directors may from time to time appoint any person, whether or not a Director, to be a manager or agent for managing the affairs of the Company, and with such powers and duties as the Board of Directors may think fit. Any person so appointed by the Board of Directors may be removed by the Board of Directors. The remuneration of the managers shall be determined by the Board of Directors; provided that during the period when the Shares are traded on the Designated Stock Market, the amount of such remuneration shall be determined by the Remuneration Committee.

#### **Article 97**

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.

#### **Article 98**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### **Article 99**

Subject to the provisions of the Statute and the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market), the Board of Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any directions that may be imposed on it by the Board of Directors. Subject to any directions or regulations made by the Board of Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board of Directors.

**Article 100**

The Board of Directors may from time by power of attorney appoint any company, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

**PROCEEDINGS OF DIRECTORS**

**Article 101**

The quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors or as otherwise set out in the Articles. A director represented by proxy at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.

**Article 102**

Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally; provided that no Director may act as proxy for more than one Director. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

**Article 103**

A Director may, or other officer of the Company authorized by a Director shall, call a meeting of the Directors. Notice of a meeting of the Board of Directors shall be

deemed to be duly given to a Director if it is given to such Director by post, cable, telex, facsimile, electronic mail, or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose. During the period when the Shares are traded on the Designated Stock Market, at least seven days' prior notice setting forth the general nature to be discussed shall be given for any meeting of the Board of Directors provided that the Board of Directors may meet at any time in case of any urgent circumstances.

#### **Article 104**

A person may participate in a meeting of the Board of Director or committee of the Board of Directors by video conference or other communications equipment by means of which all the persons participating in the meeting can see and communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting.

#### **Article 105**

The chairman shall be the chair person of the meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the meeting shall elect one from among themselves to act as the chair at such meeting in lieu of the chairman.

#### **Article 106**

A Board of Directors may meet and adjourn as it thinks proper. Subject to any express provision to the contrary in these Articles, questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall not have a second or casting vote.

#### **Article 107**

All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and qualified to be a Director as the case may be.

#### **Article 108**

The Board of Directors shall, by a resolution, establish rules governing the procedure of meeting(s) of the Directors and such rules shall be in accordance with the Articles and the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market).

## VACATION OF OFFICE AND REMOVAL OF DIRECTOR

### Article 109

The office of a Director shall be vacated:

- (a) gives notice in writing to the Company that he resigns the office of Director;
- (b) is removed from office by Supermajority Resolution;
- (c) having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
- (d) having no or only limited disposing capacity or been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.
- (e) having committed a offence of prevention of organized crimes and subsequently adjudicated guilty by a final judgment, and having not started serving the sentence, having not completed serving the sentence or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (f) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and having not started serving the sentence, having not completed serving the sentence or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (g) having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and having not started serving the sentence, having not completed serving the sentence or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; or
- (h) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events described in clauses (c), (d), (e), (f), (g), and (h) has occurred to a Director elect, such Director elect shall be disqualified from being elected as a Director.

If a Director (excluding Independent Director) whose Shares have transferred, during the term of office as a Director, more than one half of the Shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of Director without a resolution adopted at a general meeting.

If a Director (excluding Independent Director) , after having been elected and before his/her inauguration of the office of Director, has transferred more than one half of the total number of Shares he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of Shares he/she held within the book closed period prior to the convention of a general meeting under the Applicable Public Company Rules, then his/her election as a director shall become invalid without a resolution adopted at a general meeting.

#### **Article 110**

The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead.

#### **Article 111**

Where a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws, regulations and/or the Articles, but has not been removed by a Supermajority Resolution of a general meeting, the Member(s) holding 3% or more of the total number of outstanding Shares of the Company may, within 30 days after that general meeting, institute a lawsuit in the court for a judgment to remove such Director, and court of the first instance may be the Taipei District Court, R.O.C.

### **SEAL**

#### **Article 112**

- (a) The Company may, if the Board of Directors so determine, have a Seal which shall only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors. The use of Seal shall be in accordance with the Seal Policy adopted by the Board of Directors (which its Board of Directors may amend such policy any time as they deem necessary).
- (b) The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and kept under the custody of a person appointed by the Directors, and if the Directors so determine, with the addition on its face



of the name of every place where it is to be used.

- (c) A person authorized by the Directors may affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

## **OFFICERS**

### **Article 113**

- (a) The Board of Directors shall appoint a chairman and may appoint such other officers as they consider necessary on such terms to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer may be removed by resolution of the Board of Directors.
- (b) The Company shall designate a representative within the territory of the R.O.C. to represent the Company in all litigious and non-litigious matters and to serve as its responsible person in the R.O.C. in compliance with the Applicable Public Company Rules. The representative as described in the preceding sentence shall have a residence or domicile within the territory of the R.O.C.

## **CORPORATE RECORD**

### **Article 114**

The Directors shall cause minutes to be made in books provided for the purposes of recording:

- (c) the names of Directors present at each meeting of the Board of Directors and or any committee appointed by the Board of Directors; and
- (d) all resolutions and proceedings at all general meetings, meetings of the Board of Directors, and meetings of committees appointed by the Board of Directors.

## **DIVIDENDS**

### **Article 115**

- (a) If the Company has pre-tax profits in the current year, the Company shall set aside not less than 1.5% of the profits as employees' compensation and not more than 3% of the profits as Directors' remuneration. When the employees' compensation is distributed by cash or by issuing new shares, the employees entitled to such compensation may include employees of the Subsidiaries

- satisfying certain criteria as promulgated and amended by the Board of Directors from time to time. A resolution for employees' compensation or Directors' remuneration proposed to the Board of Directors of the Company shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and reported to the general meeting. However, before setting aside the profits as employees' compensation and Directors' remuneration in accordance with the ratio set forth in this paragraph, the Company's accumulated losses shall have been covered. A Director who also serves as an executive officer of the Company may receive a bonus in his capacity as a Director and a bonus in his capacity as an employee.
- (b) The Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Directors and approved by the Members by Ordinary Resolution. The Directors shall prepare such proposal as follows: the proposal shall begin with the Company's Annual Net Income and offset its losses in previous years that have not been previously offset; then set aside a Legal Capital Reserve at 10% of the profits left over, until the accumulated Legal Capital Reserve has equaled the total paid-up capital of the Company; then set aside a Special Capital Reserve if one is required in accordance with the Applicable Public Company Rules or as requested by the authorities in charge. If there is net remainder, the Directors may prepare the proposal for distribution of Dividends, bonus or other benefits accounted together with undistributed profits accrued in previous years and submit to the general meeting for review and approval by a resolution.
- (c) The Company is currently positioned in a growth and development phase. Due to the need for capital expenditure, operation expansion and an integrated financial planned in order to maintain sustainable growth, any balance left over under Article 115(a) and/or (b) may be distributed as Dividends (including cash dividends or stock dividends) or bonuses in accordance with the Statute and the Applicable Public Company Rules, among which the Dividends to be distributed shall not be lower than 10% of the balance left over and the cash Dividends shall not be lower than 10% of the total amount of Dividends distributed to the Members.

**Article 116**

- (a) Subject to the Statute and the Article, the Directors may declare Dividends and distributions of Shares in issue and authorize payment of the Dividends or distributions out of the funds of the Company lawfully available therefor.

- (b) No dividend or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the share premium account or as otherwise permitted by the Statute.

**Article 117**

- (a) The Board of Directors shall establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company.
- (b) Unless otherwise provided in these Articles and to the extent permitted by the by the Statute, the Legal Capital Reserve and Capital Reserve shall not be used except for off-setting losses of the Company. The Company shall not use the Capital Reserve to off-set its capital losses, unless the Legal Capital Reserve and the Special Capital Reserve are insufficient to off-set such losses.

**Article 118**

Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid in proportion to the number of Shares that a Member holds. If any Shares is issued on terms providing that it shall rank for Dividend as from a particular date that Share shall rank for Dividend accordingly.

**Article 119**

The Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on any count.

**Article 120**

Subject to the Statute and the Articles, the Company in general meeting may from time to time declare Dividends and/or bonuses in any currency to be paid to the Members but no Dividends or bonus shall be declared in excess of the amount recommended by the Board. For so long as the Shares are registered in the Designated Stock Market, Dividend or bonuses may only be declared in TWD.

**Article 121**

Any dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**Article 122**

No dividend or distribution shall bear interest against the Company.

### **Article 123**

- (a) Subject to the Statute and Article 65(f), where the Company incurs no loss, it may capitalize its Legal Capital Reserve and the following categories of Capital Reserve—share premium account and/or income from endowments received by the Company—in whole or in part, either by issuing new, fully paid bonus Shares or by distributing cash dividends to its Members. Where Legal Capital Reserve is distributed by issuing new shares or by cash, only the portion of Legal Capital Reserve which exceeds 25% of the paid-in capital may be distributed.
- (b) Subject to the Statute, in the event the Company issues new Shares to the existing Members by capitalization of its reserves or due to an increase in the value of its assets upon revaluation, Article 12(b) shall not apply.

## **TENDER OFFER**

### **Article 124**

Within fifteen days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Public Company Rules, the Board of Directors shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) The types and amount of Shares held by the Directors and the Members holding more than 10% of the outstanding Shares in its own name or in the name of other persons.
- (b) Recommendations to the Members on the verification of the identity and financial condition of the tender offeror, fairness of the tender offer conditions, and reasonableness of the sources of the tender offer funds. The specific assenting and dissenting opinions of the Directors and their reasons therefor shall also be stated.
- (c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Members holding more than 10% of the outstanding Shares held in its own name or in the name of other persons.

## **AUDIT COMMITTEE**

### **Article 125**

The Company shall establish an Audit Committee comprised of all of the Independent Directors, one of whom shall be the chairman, and at least one of whom shall have accounting or financial expertise to the extent required by the Applicable Public Company Rules. A resolution of the Audit Committee shall be passed by one-half or more of all members of such committee. The rules and procedures of the Audit Committee shall be in accordance with policies proposed by the members of the Audit Committee and passed by Board of Directors from time to time, which shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and the instruction of the FSC and the Designated Stock Market, if any. The Board of Directors shall stipulate the charter of the Audit Committee in accordance with the Articles and Applicable Public Company Rules.

### **Article 126**

Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board of Directors for resolution:

- (a) Adoption or amendment of an internal control system of the Company;
- (b) Assessment of the effectiveness of the internal control system;
- (c) Adoption or amendment of handling procedures for significant financial or operational actions, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees on behalf of others;
- (d) A matter where a Director has a personal interest;
- (e) A material asset or derivatives transaction;
- (f) A material monetary loan, endorsement, or provision of guarantee;
- (g) The offering, issuance, or Private Placement of any equity-type securities;
- (h) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) The appointment or removal of a financial, accounting, or internal auditing officer;
- (j) Annual and semi-annual financial reports;
- (k) Any other matters so determined by the Company from time to time or required by any competent authority overseeing the Company.

Except for item (j) above, any matter under subparagraphs (a) through (k) of the preceding paragraph that has not been approved with the consent of one-half or more of the Audit Committee members may be undertaken only upon the approval of two-thirds or more of all Directors, without regard to the restrictions of the preceding paragraph, and the resolution of the Audit Committee shall be recorded in the minutes

of the Board of Directors meeting.

**Article 126-1**

Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, inspect, transcribe or make copies of the accounting books and documents, and request the Board of Directors or managerial personnel to make reports thereon.

**Article 126-2**

Audit Committee shall audit the various statements and records prepared for submission to the general meeting by the Board of Directors, and shall make a report of their findings and opinions at the general meeting.

**Article 126-3**

In conducting investigation and relevant affairs, Audit Committee may appoint, on behalf of the Company, a practicing lawyer and a certified public accountant to conduct the examination.

**Article 126-4**

An Independent Director shall not be concurrently a Director, a managerial officer or other staff/employee of the company.

**Article 126-5**

Before the Company makes any resolution of Merger and acquisition by the Board of Directors, the Company shall have the Audit Committee to review the fairness and reasonableness of the plan and transaction of the Merger and acquisition, and then report the review results to the Board of Directors and a general meeting. However, if under the Statute the Company is not required to convene a general meeting to make resolution of Merger and acquisition, the review result is not required to be reported to the general meeting.

**Article 126-6**

When reviewing the plan and transaction of the Merger and acquisition, the Audit Committee shall seek opinions from an independent expert on the justification of the Share Exchange ratio or distribution of cash or other assets.

**Article 126-7**

Review results of the Audit Committee and opinions from an independent expert shall be delivered to each Member together with the notice of the general meeting. However, if the Merger and acquisition is not required to be resolved by the general meeting, reports for matters of the Merger and acquisition shall be submitted to the next closest general meeting. As to afore-mentioned documents that shall be delivered to Members, if the Company announced the same content as in those documents on a website designated by the competent securities authority of R.O.C and those documents are prepared at the venue of the general meeting by the Company for Members' inspection, those documents shall be deemed as have been delivered to Members.

## **REMUNERATION COMMITTEE**

### **Article 127**

The Company shall establish a Remuneration Committee. Regulations governing the professional qualification for its members, the exercise of their powers of office, and related matters shall be prescribed in accordance with the Applicable Public Company Rules. Remuneration referred to in the preceding paragraph shall include salary, stock options, and any other substantive incentive measures for Directors, and managerial officers.

## **BOOKS OF ACCOUNT**

### **Article 128**

The Directors shall cause proper books of account to be kept with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place;
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

### **Article 129**

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of

inspecting any account or book or document of the Company except as conferred by Statute or authorized by the Directors or by the Company in general meeting.

**Article 130**

The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

**Article 131**

The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

**Article 132**

During the period when the Shares are traded on the Designated Stock Market, the Board of Directors shall submit business reports, financial statements and proposals for distribution of profits or losses prepared by it for the purposes of annual general meetings of the Company for ratification or approval by the Members as required by the Applicable Public Company Rules. After ratification or approval by the general meeting, the Board of Directors shall distribute copies of the ratified financial statements and the Company's resolution on the allocation and distribution of profits or loss, to each Member or make public announcement in accordance with the Applicable Public Company Rules.

**Article 133**

During the period when the Shares are traded on the Designated Stock Market, the Board of Directors shall keep copies of the yearly business report, financial statements, and the report prepared by the Audit Committee (if any) at the office of its Shareholders' Service Agent before ten (10) days of the annual general meeting and any of its Members is entitled to inspect such documents during normal business hours of such Agent.

**Article 134**

The Board of Directors shall keep the Articles, all the minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate



bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's Shareholders' Service Agent located in R.O.C. The Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review, make copies of or reproduce the foregoing documents; and the Company shall make the shareholder service agent to provide with the access.

**Article 134-1**

The Board of Directors or other authorized conveners of general meetings may require the Company or the Shareholders' Service Agent to provide with the Register of Members.

**NOTICES**

**Article 135**

Except as provided in the Articles, any notice or document may be served by the Company or by the person entitled to give notice to any Member either personally, by facsimile or by sending it through the post in a prepaid letter or via a recognized courier service, fees prepaid, addressed to the Member at his address as appearing in the Register of Members, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Members may have positively confirmed in writing for the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

**Article 136**

Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and where requisite, of the purposes for which such meeting was convened.

**Article 137**

Any notice or other document, if served by (a) post, shall be deemed to have been served at the time when the letter containing the same is posted; (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient; (c) courier service, shall be deemed to have been served at the time when

the letter containing the same is delivered to the courier service; or (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail. In proving service by post or courier service, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

**Article 138**

Any notice or document delivered or sent by post to or left at the registered address of any Member in accordance with the terms of the Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register of Members as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Share.

**Article 139**

Notice of every general meeting shall be given in any manner hereinbefore authorized to:

- (a) every person shown as a Member in the Register of Members as of the record date for such meeting.
- (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting; and no other person shall be entitled to receive notices of general meetings.

**WINDING UP**

**Article 140**

If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute and subject to the Applicable Public Company Rules, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Article 141**

If the Company shall be wound up, and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the Share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the Share capital, at the commencement of the winding up on the Shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the Share capital at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the Share capital at the commencement of the winding up on the Shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### **INDEMNITY AND INSURANCE**

#### **Article 142**

(a) To the maximum extent permitted by applicable law (including the Statute and Applicable Public Company Rules), the Directors and officers for the time being of the Company and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices, except such (if any) as they shall incur or sustain by or through their own fraud, dishonesty, willful neglect or default respectively and no such Director, officer shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer, or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office unless the same shall happen through the willful neglect or default of such Director, Officer.

(b) Subject to the laws of Cayman Islands, Members continuously holding 1% or

more of the total issued Shares for six months or longer may request in writing any Independent Director of the Audit Committee to file a litigation against any Director or Directors on behalf the Company, and the Taiwan Taipei District Court, R.O.C., may be the court of first instance for such matter.

If the Independent Director of the Audit Committee who has been requested by such Members in accordance with the previous paragraph fails to file such litigation within thirty (30) days after receiving the request by such Members, subject to the laws of Cayman, such Members may file such litigation on behalf of the Company, and the Taiwan Taipei District Court, R.O.C. may be the court of the first instance for such matter.

Besides the situations that the Board of Directors does not or is unable to convene a general meeting, Audit Committee may, for the benefit of the Company, also call a general meeting when it is deemed necessary.

#### **Article 143**

The Company may purchase and maintain insurance for the benefit of any Director or officer against any liability incurred by him in his capacity as a Director or officer or indemnifying such Director or officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or officer may be guilty in relation to the Company or any Subsidiary thereof.

### **FINANCIAL YEAR**

#### **Article 144**

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

### **AMENDMENTS OF ARTICLES**

#### **Article 145**

Subject to the Statute and the Articles, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

### **TRANSFER BY WAY OF CONTINUATION**

#### **Article 146**

If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

**Article 147**

When conducting its business, the Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.