

**THE COMPANIES LAW (AS AMENDED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED**  
**MEMORANDUM & ARTICLES**  
**OF**  
**ASSOCIATION**  
**OF**  
**SUNJUICE HOLDINGS CO., LIMITED**  
**(AMENDED BY SPECIAL RESOLUTION PASSED ON MAY 26, 2023)**

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**THE COMPANIES LAW(AS AMENDED)**

**COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED**

**MEMORANDUM OF ASSOCIATION**

**OF**

**SUNJUICE HOLDINGS CO., LIMITED**

**(Amended by Special Resolution Passed on MAY 26, 2023)**

1. The name of the Company is Sunjuice Holdings Co., Limited (the "Company").
2. The Registered Office of the Company will be situated at the offices of Suite 102, Cannon Place, P.O. Box 712, North Sound Rd; Grand Cayman, KY1-9006, Cayman Islands or at such other location as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (as amended).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Companies Law (as amended).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks & Trust Companies Law (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Law (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Law (as amended).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands. provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
8. The capital of the Company is NT\$600,000,000 divided into 60,000,000 shares of a nominal or par value of NT\$10.00 each provided always that subject to the provisions of the Companies Law (as amended) and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, 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 issue 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.
9. The Company may exercise the power contained in Section 206 of the Companies Law (as amended) to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

# **THE COMPANIES LAW (AS AMENDED)**

## **COMPANY LIMITED BY SHARES**

### **AMENDED AND RESTATED**

### **ARTICLES OF ASSOCIATION**

OF

### **SUNJUICE HOLDINGS CO., LIMITED**

**(Amended by Special Resolution Passed on MAY 26, 2023)**

#### **TABLE A**

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Law (as amended) shall not apply to this Company and the following Articles shall comprise the Articles of Association of the Company:

#### **INTERPRETATION**

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

**"Affiliated Company"** means with respect to any company, any other company that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first company;

**"Applicable Listing Rules"** means the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on the TSE or the GreTai Securities Market, the Emerging Stocks Market of the GreTai Securities Market, including, without limitation the relevant provisions of Company Act, Business Merger And Acquisition Act, Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the GreTai Securities Market or the TSE;

**"Articles"** means these articles of association of the Company, as amended or substituted from time to time;

**"Audit Committee"** means an Audit Committee as defined in these Articles and the Applicable Listing Rules;

**"Chairman"** has the meaning given thereto in Article 79;

**"Class" or "Classes"** means any class or classes of Shares as may from time to time be issued by the Company;

**"Commission"** means Financial Supervisory Commission of Taiwan;

**"Companies Law" or "Law"** means the Companies Law (as amended) of the Cayman Islands;

**"Constituent Company"** means an existing company that is participating in a Merger with one or more other existing companies within the meaning of the Law;

**"Depository"** means Taiwan Depository & Clearing Corporation;

"**Directors**" and "**Board of Directors**" and "**Board**" means 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;

"**Director and Officer Insurance**" has the meaning given thereto in Article 148;

"**electronic**" shall have the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

"**electronic communication**" means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;

"**Emerging Market**" means the emerging market board of GreTai Securities Market in Taiwan;

"**GreTai Securities Market**" means the GreTai Securities Market in Taiwan;

"**Indemnified Person**" has the meaning given thereto in Article 147;

"**Independent Director**" means a director who is an independent director as defined in the Applicable Listing Rules;

"**Member**" means a person whose name is entered in the Register of Members and includes each subscriber to the Memorandum of Association pending the issue to him/her of the subscriber share or shares;

"**Members' Service Agent**" means the agent licensed by Taiwan authorities to provide certain Members services in accordance with the Applicable Listing Rules to the Company;

"**Memorandum of Association**" means the memorandum of association of the Company as amended or substituted from time to time.

"**Merger**" means the merging of two or more Constituent Companies and the vesting of their undertaking, property and liabilities in one of such company as the Surviving Company within the meaning of the Law;

"**Office**" means the registered office of the Company as required by the Law;

"**Ordinary Resolution**" means 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 and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled;

"**paid up**" means paid up as to the par value and any premium payable in respect of the issue of any shares and includes credited as paid up;

"**preferred Shares**" has the meaning given thereto in Article 8;

"**Realized Capital Reserve**" and "**Capital Reserve**" means the realized capital reserve and the capital reserve as defined in the Applicable Listing Rules;

"**Register**" or "**Register of Members**" means the register to be kept by the Company in accordance with the Companies Law;

"**Republic of China**" or "**Taiwan**" means the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;

"**Retained Earnings**" means all legal or special reserves of the earnings and the undistributed earnings, while excluding those has been resolved by the Board or the general meeting to be distributed to the Members;

"**Seal**" means the Common Seal of the Company (if adopted) Including any facsimile thereof;

"**Share**" means any share in the capital of the Company including a fraction of any share. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context

may require;

**"Share Premium Account"** means the share premium account established in accordance with these Articles, the Law and the Applicable Listing Rules;

**"signed"** includes a signature or representation of a signature affixed by mechanical means;

**"Special Resolution"** means a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of at least two-thirds 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 of which notice specifying the intention to propose the resolution as a special resolution has been duly given;

**"Special Resolution (Taiwan)"** means (A) a resolution passed by Members, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Members holding not less than half of the Shares held by all Members attending that meeting, and such meeting is attended by Members holding not less than two-thirds of all issued Shares of the Company; or (B) where the Members attending to the general meeting are holding less than two-thirds of all issued Shares of the Company entitled to vote, a resolution passed by Members, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Members holding not less than two-thirds of the Shares held by all Members attending that meeting, and such meeting is attended by Members holding not less than half of all issued Shares of the Company;

**"Spin-off"** refers to 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 or to transfer cash or other properties to the transferor company or to members of the transferor company;

**"Surviving Company"** means the sole remaining Constituent Company into which one or more other Constituent Companies are merged within the meaning of the Law and the Applicable Listing Rules;

**"Treasury Shares"** means the Share(s) repurchased by the Company, which has the meaning given thereto in Article 30; and

**"TSE"** means the Taiwan Stock Exchange.

2. In these Articles, save where the context requires otherwise;
  - (a) words importing the singular number shall include the plural number and vice versa;
  - (b) words importing the masculine gender only shall include the feminine gender;
  - (c) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;
  - (d) **"may"** shall be construed as permissive and **"shall"** shall be construed as imperative;
  - (e) references to a **"dollar"** or **"dollars"** or \$ is a reference to dollars of the United States; and
  - (f) references to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force.
3. Subject to the last two preceding Articles, any words defined in the Companies Law or the Applicable Listing Rules shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### **PRELIMINARY**

4. (A) The business of the Company may be commenced as soon after incorporation.  
(B) When conducting its business, the Company will 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.

5. The Office shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

## **SHARES**

6. Subject as otherwise provided in these Articles, all Shares for the time being and from time to time unissued shall be under the control of the Directors, and may be re-designated, allotted or disposed of in such manner, to such persons and on such terms as the Directors in their absolute discretion may think fit.

- 6-1. (A) The Company shall not issue bearer shares.

(B) The Company choosing to issue no par value shares shall not convert its shares into par value shares.

7. Unless otherwise provided in these Articles, the Directors may authorize the division of Shares into any number of Classes and the different Classes shall be authorized, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by the Directors.

8. 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. Prior to the issuance of any preferred Shares approved pursuant to this Article, this Memorandum of Association and these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:

- (a) the total number of the issued preferred Shares and the total number of the preferred Shares the Company is authorized to issue;
- (b) order, fixed amount or fixed ratio of allocation of dividends and bonus on preferred Shares;
- (c) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
- (d) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;
- (e) the conditions, deadline of redemption or repurchase, and the type and the amount of payment for redemption or repurchase made by the Company;
- (f) other matters concerning rights and obligations incidental to preferred Shares; and
- (g) the method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.

9. 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. The Company may not issue Share certificates to Members in respect of any Shares. However, for as long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall not issue Share certificates and upon each issuance of new Shares, the Company shall within 30 days from the completion date of issuance of such Shares cause its Members' Service Agent to enter the name of the Member in the Register and to effect the book-entry transfer in the Member's account with the Depository. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the book-entry transfer.



10. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue Shares in bearer form.
11. 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 who are determined by the Board in its reasonable discretion.
12. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, unless otherwise resolved by the Members in general meeting by Ordinary Resolution, if at any time the Board resolves to issue any new Share, the Company shall, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 11 and Article 14 respectively, advise each then Member by a public announcement and by a written notice to subscribe for the remaining new Shares with preemptive right, in proportion respectively to their original shareholding. Except for the payment period for subscription of new shares stated in the notice is not less than one month, if the then Member delays payment for shares, the Company shall fix a period of not less than one month and call upon such subscribers to pay up, declaring that in case of default of payment within the stipulated period their right shall be forfeited. After the Company has made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the shares subscribed to by them shall be otherwise sold. Under the aforesaid circumstances, compensation for loss or damage, if any, may still be claimed against such defaulting subscribers. Where a fractional percentage of the original Shares being held by a Member is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member. New shares left unsubscribed by such Members may be open for public issuance or for subscription by specific person or persons through negotiation.
13. The Members' preemptive right prescribed under Article 12 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
  - (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;
  - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
  - (d) in connection with meeting the Company's obligation under preferred Shares vested with rights to acquire Shares or with a redemption of Shares by the Company; or
  - (e) any other conditions excluded by the Applicable Listing Rules.
14. Where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate 10 percent of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned 10 percent is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.
- 14A. The Company may, with the sanction of a Special Resolution (Taiwan), carry out private placement of securities to the following persons in Taiwan :
  - (a) Banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other juristic persons or institutions approved by the competent authority governing securities in Taiwan.
  - (b) Natural persons, juristic persons, or funds meeting the conditions prescribed by the competent authority governing securities in Taiwan.
  - (c) Directors and managerial officers of the Company or its Affiliated Companies.

Where the private placement of securities are conducted according to the preceding paragraph and the relevant particulars have been specified and described during the meeting of Members, the private placement may be carried out in installments within one year from the date of the said resolution of the meeting of Members.

15. (A) The Company may, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors, adopt one or more employee incentive programmes pursuant to which Shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company or any Affiliated Company to subscribe for Shares. The Shares, options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees.

(B) The Company may issue restricted Shares to employees by the Special Resolution (Taiwan). The issuance amount, issuance prices, issuance conditions and other matters which shall be complied with shall be subject to the Applicable Listing Rules.

### **VARIATION OF RIGHTS ATTACHING TO SHARES**

16. If at any time the capital is divided into different classes of Shares, the rights attaching to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied or abrogated with the consent of the holders of two-thirds of the issued Shares of that class. Unless otherwise provided by the terms of issue of the Shares of that class, to every such separate general meeting the provisions of these Articles relating to general meetings of the Company shall *mutatis mutandis* apply.
17. 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 or abrogated by the creation or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or repurchase of Shares of any class by the Company.

### **CERTIFICATES**

18. The Register of Members shall be *prima facie* evidence of the entitlement of a person to Shares recorded against his/her name. Subject to the approval of the Board and subject as otherwise provided in these Articles, Share certificates may be issued to a Member upon request. Every Share certificate shall be issued under the Seal or a facsimile thereof and shall specify the name of the Member, the number and class and distinguishing numbers (if any or if required by the Companies Law or Applicable Listing Rules) of the Shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing Shares of more than one class nor will be issued in bearer form. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.

### **TRANSFER OF SHARES**

19. Subject to the Companies Law, the Applicable Listing Rules, and Articles 32 and 33, Shares issued by the Company shall be freely transferable, provided that any newly issued Shares reserved for subscription by the employees of the Company according to Article 11 and any Treasury Shares transferred to the employees of the Company may be subject to transfer restrictions for a period of not more than two years. Title to Shares which are listed on the GreTai Securities Market or the TSE may be evidenced and transferred in accordance with the Applicable Listing Rules. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register in respect thereof.
20. The instrument of transfer of any Share shall be in any usual or common form or such other form

as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee, shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof.

21. The Directors may in their absolute discretion decline to register any transfer of Shares unless:
  - (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (b) the instrument of transfer is in respect of only one class of Shares; or
  - (c) the instrument of transfer is properly stamped, if required.
22. The registration of transfers may be suspended when the Register of Members is closed in accordance with Article 37.
23. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors decline to register shall (except in any case of fraud) be returned to the person depositing the same.

#### **TRANSMISSION OF SHARES**

24. The legal personal representative of a deceased sole holder of a Share shall be the only person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only person recognised by the Company as having any title to the Share.
25. Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Member in respect of the Share or, instead of being registered himself/herself, to make such transfer of the Share as the deceased or bankrupt person could have made. In case the aforementioned person decides to be registered as a Member, he/she shall deliver or send a notice in writing to the Company, on which the signature shall be made and his/her decision shall also be stipulated. But the Directors shall, in either case have the right to decline or suspend registration in accordance with Article 21.
26. A person becoming entitled to a Share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled if he/she were the registered holder of the Share, except that he/she shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

#### **ALTERATION OF CAPITAL**

27. The Company may from time to time by Special Resolution (Taiwan) increase the authorized share capital by such sum, to be divided into Shares of such classes and amount, as the resolution shall prescribe.
28. (A) The Company may by Special Resolution reduce its capital and any capital redemption reserve in any manner authorized by the Companies Law or Applicable Listing Rules. Subject to the Companies Law or the Applicable Listing Rules, capital shall be reduced pro rata in accordance with each Member's shareholding percentage.
  - (B) The Company may reduce its share capital by using property, in addition to cash, to return

capital contributions; the returned property and the offsetable amount for the returned property shall be decided by Ordinary Resolution, and approved by the Member(s) receiving such property.

(C) During the period when the Shares are traded on the Emerging Market, GreTia Securities Market, or TSE, the Board shall have the value of the returned property and the offsetable amount referred to in the preceding paragraph audited and certified by a certified public accountant in Taiwan prior to the general meeting.

### REDEMPTION AND PURCHASE OF OWN SHARES

29. Subject to the Law, the Applicable Listing Rules and these Articles, the Company may issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member on such terms and in such manner as the Company may by Special Resolution (Taiwan), before the issue of such Shares, determine; provided that payment in respect of the redemption of its own Shares shall be made in a manner authorized by the Companies Law or Applicable Listing Rules, including out of its profits or the proceeds of a fresh issue of Shares.
30. Subject to the Law, the Applicable Listing Rules and these Articles, and upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may repurchase its own Shares at the GreTai Securities Market or at TSE (the "Treasury Shares").
31. (A) The number of the Treasury Shares repurchased by the Company pursuant to the preceding Article 30 shall not exceed 10 percent of the total number of issued Shares of the Company. The total repurchase price of the Treasury Shares shall not exceed the sum of Retained Earnings plus the amount of the Share Premium Account plus the amount of the Realized Capital Reserve.
- (B) The Company shall be entered in the Register as the holder of the Treasury Shares provided that: the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void.
- (C) No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be declared or paid in respect of a Treasury Share.
32. The transfer of Treasury Shares to the employees at the price less than the average price at which Treasury Shares were previously purchased by the Company shall be approved by the Special Resolution (Taiwan) of the Company at an upcoming general meeting prior to the transfer, and the following matters shall be specified and described in the notice of a general meeting, and shall not be proposed as *ad hoc* motions:
- (a) Transferring price, the discount rate, calculation basis and rationality.
  - (b) The numbers of Treasury Shares to be transferred, purpose and rationality.
  - (c) The qualification of the employees who are eligible to subscribe for the Shares and the numbers of the Shares for employees' subscription.
  - (d) The matters which may affect Members' interests:
    - i. the amounts which may be recognized as expenses and dilution of earnings per Share.
    - ii. the description of the Company's financial burden arising from the transfer of Treasury Shares transferred to employees at a price less than the average price at which Treasury Shares were previously purchased by the Company.

The total numbers of Shares transferred to employees approved at each general meeting shall not exceed 5 percent of the total issued Shares of the Company, and the total numbers of the Shares subscribed by each employee shall not exceed 0.5 percent of the total issued Shares of the Company.

- 32A.(A) Notwithstanding Article 30 and subject to the Law, the Company may, with the sanction of an Ordinary Resolution, purchase and cancel its own Shares out of the share capital of the Company

pro rata in accordance with each Member's shareholding percentage. The amount payable to the Shareholders in connection with a repurchase of Shares out of the share capital of the Company may be paid in cash or by way of delivery of assets in specie (i.e., non-cash). The assets to be delivered and the amount of such substitutive share capital shall be approved by the Ordinary Resolution and shall be subject to consent by the Member receiving such asset.

(B)The Board shall have the value of such asset and the amount of such substitutive share capital set forth in the preceding paragraph be audited and certified by a Taiwanese certified public accountant before the general meeting considering such repurchase.

33. The Directors or managerial officers of the Company, or their spouse, minor children, or any other persons who hold the Shares for the benefit of the Directors, officers, their spouses or minor children, shall not sell or otherwise transfer their Shares during the period when the Company is repurchasing its own Shares.
34. The resolution for the redemption or repurchase of the Shares by the Company and the implementation thereof shall be reported at an upcoming general meeting no matter whether the Company redeems or repurchases the Shares so resolved.
35. The redemption or repurchase of any Share shall not be deemed to give rise to the redemption or purchase of any other Share.
36. Subject to the Law and the Applicable Listing Rules, the Directors may when making payments in respect of redemption or repurchase of Shares, if authorised by the terms of issue of the Shares being redeemed or repurchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.

#### **CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE**

37. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, the Register of Members shall be so closed at least for a period of 60 days, 30 days and 5 days immediately before the date of each annual general meeting, each extraordinary general meeting and the record date for the distribution of dividends and bonus or other interests respectively. The periods specified above shall commence from the day on which the meeting is to be held (inclusive) or from the record date for the distribution of dividends and bonus or other interests respectively (inclusive), as the case may be.
38. In lieu of or apart from closing the Register of Members, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the GreTai Securities Market or TSE pursuant to the Applicable Listing Rules.

#### **GENERAL MEETINGS**

39. All general meetings other than annual general meetings shall be called extraordinary general meetings.
40. The Directors may, whenever they think fit, convene a general meeting of the Company; provided that the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, the Company shall in each year hold a general meeting as its annual general meeting at least once, and such annual general meeting shall be held within 6 months after close of each fiscal



year and shall specify the meeting as such in the notices calling it.

41. At these meetings the report of the Board shall be presented. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, all general meetings shall be held at such time and place as may be determined by the Board in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan, the Company shall apply for the approval of the GreTai Securities Market (or the TSE, if applicable) thereof within 2 days after the Board of Directors adopts such resolution or after the approval of relevant authorities for Members to convene the general meeting. Where a general meeting is to be held outside Taiwan, the Company shall engage a Members' Services Agent to handle the administration of Member voting matters for such general meeting.
- 41-1 (A) The general meeting of the Company can be held by means of visual communication network or other methods promulgated by the competent authority under Company Act of the Republic of China. In the case of natural disasters, incidents or other force majeure events, the Company may, in accordance with the promulgation by the competent authority under the Company Act of the Republic of China, without first being specified in its Memorandum and Articles of Association, hold the general meeting with visual communication network or other methods promulgated by the competent authority during a certain period.
  - (B) In case the general meeting is proceeded via visual communication network, the Member(s) taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
  - (C) The Applicable Listing Rules shall govern the relevant conditions, process and other regulations that the Company shall abide by with regard to the general meeting proceeded via visual communication network.
42. General meetings shall also be convened on the written requisition of any Member or Members entitled to attend and vote at general meetings of the Company who hold not less than 3 percent of the paid up voting Share capital of the Company for a period of one year or a longer time deposited at the Office or the Members' Service Agent specifying the objects of the meeting and requesting the Board to convene the general meeting, and if the Directors do not convene such meeting within 15 days after the date of such deposit, the requisitionists themselves may convene an extraordinary general meeting in accordance with the Applicable Listing Rules and may determine such time and place of the extraordinary general meeting he/she thinks fit by sending out a notice of general meeting in accordance with these Articles.
- 42-1. Shareholders continuously holding 50% or more of the total number of outstanding shares of the Company for a period of three months or a longer time may convene a special shareholders' meeting. The calculation of the holding period and holding number of shares shall be based on the holding at the time of share transfer suspension date.

#### **NOTICE AND PUBLIC ANNOUNCEMENT OF GENERAL MEETINGS**

43. (A) At least 30 and 15 days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice period shall be exclusive of the day on which it is given and of the day of the meeting. Every notice shall specify the place, the day and the time of the meeting and the general nature of the business. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients.
  - (B) The Company shall make the announcement about the notice of the general meetings, proxy forms and the reasons and the descriptions related to proposals for approval, discussion and the election or discharge of Directors at least 30 days and 15 days prior to any annual general meeting and extraordinary general meetings, respectively.
44. The following matters shall be specified and described in the notice of a general meeting, and shall not be proposed as ad hoc motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the notice:

- (a) election or discharge of Directors;
- (b) amendments to these Articles;
- (c) reduction of capital;
- (d) application for the approval of ceasing its status as a public company;
- (e) dissolution, Merger or Spin-off, equity conversion of the Company;
- (f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (g) the transfer of the whole or any material part of its business or assets;
- (h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
- (i) carrying out private placement of its securities;
- (j) granting waiver to the Director's engaging in any business within the scope of business of the Company;
- (k) distributing part or all of its dividends or bonus by way of issuance of new Shares;
- (l) transfer of Treasury Shares pursuant to Article 32; and
- (m) capitalization of any amounts standing to the credit of the statutory reserve or the following Capital Reserves - Share Premium Account and/or income from endowments received by the Company, or making distributions out of the Statutory Reserve and the Share Premium Account to its Members in newly issued shares or cash.

Subject to the Law, the Applicable Listing Rules and these Articles, the Members may propose matters in a general meeting by ad hoc motions, and the matters proposed by the Members shall be directly related to the matters specified and described in the notice of a general meeting. In case the matters proposed by the Members violate this paragraph, the matters proposed may be denied by the Chairman.

45. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall prepare a manual and related materials for each general meeting. Such manual and materials shall be published on the website designated by the Commission and the GreTai Securities Market or TSE pursuant to the Applicable Listing Rules 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 that the Company with 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 Register at the time of holding of the annual general meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the annual general meeting is to be held.

#### **PROCEEDINGS AT GENERAL MEETINGS**

46. 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. Save as otherwise provided by these Articles, the holders of Shares being more than an aggregate of one-half of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.
47. Member(s) holding one percent or more of the total number of issued Shares immediately prior to the relevant Register close period may propose in writing or in electronic means to the Company a proposal for discussion at a general meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The following procedures shall apply for making such proposals:
- (a) Prior to the date of the relevant Register of Members close period, the Company shall, in

accordance with the Applicable Listing 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;

- (b) 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/her proposal is to be discussed and shall take part in the discussion of such proposal;
  - (c) Except for any of the following circumstances, the Directors of the Company shall include the proposal submitted by a Member in the list of proposals to be discussed at the general meeting:
    - i. Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a general meeting;
    - ii. Where the number of Shares of the Company in the possession of the Member making the said proposal is less than one percent of the total number of issued Shares at the date of the relevant Register close period;
    - iii. Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting Members' proposals; or
    - iv. Where the said proposal containing more than 300 words or more than one matters in a single proposal.
  - (d) 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 conforming to the requirements as set out 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.
  - (e) A shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.
48. The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company convened by the Board of the Directors. For a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.
49. If there is no such chairman, or if at any general meeting he/she is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director nominated by the Directors shall preside as chairman, failing which the Members present shall choose any Person present to be chairman of that meeting.
50. The chairman may (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place by an Ordinary Resolution, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
51. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.
52. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these 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. All resolutions put to the vote of a meeting shall be decided by poll. No resolutions will be passed by written resolution of



Members without a meeting.

53. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.
54. The Company shall by a Special Resolution (Taiwan):
- (a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
  - (b) transfer the whole or any material part of its business or assets, provided that Paragraph 2 of this Article 54 shall apply;
  - (c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (d) effect any Spin-off, acquisition or share exchange of the Company, provided that Paragraph 2 of this Article 54 shall apply;
  - (e) carry out private placement of its securities;
  - (f) distribute part or all of its dividends or bonus by way of issuance of new Shares;
  - (g) grant waiver to a Director's engaging in any business within the scope of the Company's business; or
  - (h) issue restricted Shares to the employees.

If the Company dissolves after participating a merger, or takes part in a general transfer, share exchange or spin-off transaction, which causes the de-listing of its shares, and where the surviving, transferee, existing or newly incorporated company is not a public listed company at Taiwan Stock Exchange or Over-the-counter market, such transaction shall require a resolution adopted by Members representing two-third or more of the total number of its issued shares.

55. The Company may, by a Special Resolution,
- (a) effect a Merger of the Company in accordance with the Applicable Listing Rules and the Law;
  - (b) Amend these Articles and the Memorandum of Association;
  - (c) change the name of the Company; and
  - (d) reduce the capital and capital redemption reserve.

55A. With regard to the dissolution procedures of the Company, the Company shall pass:

- (a) an Ordinary Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or
- (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than paragraph (a) of Article 55A.

56. In the event any of the resolutions with respect to any of the following matters, any Member with objection against which may request the Company to repurchase his/her shares:

- (a) the Paragraph 1, Subparagraph (a), (b), (c) or (d) of Article 54;
- (b) spin-off or merger, acquisition or share exchange with other company; or
- (c) in accordance with any specific provisions under any applicable listing rules.

The Member filing a request under the preceding paragraph shall make it in writing within 20 days since the resolution of the general meeting was made and specify the price for buying back. In

the event the price of the Shares repurchase is negotiated and agreed upon by and between the Company and the selling Member, the Company shall pay the repurchase price to such selling Member within 90 days upon the resolution date of the general meeting. If the Company and the selling Member fail to reach an agreement on the price of Shares repurchase, the Company shall pay the repurchase price that it determines as fair price to the Member who has not so agreed on the repurchase price. Company fails to so pay the repurchase price to the selling Member shall deemed that it has agreed upon the repurchase price specified by the selling Member.

In the event the Company and the selling Member who has voted against such matter during the meeting or expressed his objection and waived his voting right fail to reach an agreement on the price of Shares repurchase within 60 days upon the resolution date of the general meeting, the Company shall, within 30 days upon the lapse of such 60-day period, file a motion with the Taiwan Taipei District Court, in which all selling Members who disagree with the repurchase price are listed as respondents, to issue a ruling on the repurchase price.

The number of shares held by the selling Member who has waived his voting right shall not be counted toward the number of votes represented by the shareholders present at a shareholders meeting.

### **VOTES OF MEMBERS**

57. (A) Subject to any rights and restrictions for the time being attached to any class or classes of Shares, every Member and every person representing a Member by proxy shall have one vote for each Share of which he or the person represented by proxy is the holder.

(B) In the event that a Member holds Share for others, such Member may separately exercise his vote in favour of or against the relevant resolution. The qualifications, scope, method of exercise, operating procedure and other matters which shall be complied with shall be in accordance with the Applicable Listing Rules.

58. No vote may be exercised with respect to any of the following Shares:

- (a) the Share(s) of the Company that are held by the Company itself (the Treasury Share(s));
- (b) the Shares held by any subsidiary company of the Company, where the total number of voting Shares or total Shares equity held by the Company in such a subsidiary represents more than one-half of the total number of voting Shares or the total Shares equity of such a 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.

The Shares held by Members having no voting right shall not be counted in the total number of issued Shares while adopting a resolution at a general meeting, nor, for the avoidance of doubt, be counted in the quorum at the meeting.

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

60. 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/her committee, or other person in the nature of a committee appointed by that court, and any such committee or other person may vote by proxy.

61. (A) Any Member who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting in respect of all the Shares that such Member should otherwise be entitled to vote and such Shares shall not be counted in the number of votes of Members present at the meeting. The aforementioned Member shall also not vote on behalf of any other Member.

(B) In case that any Director gives security over more than 50% of the number of his/her/its Shares (the “**Pledged Shares**”) he/she/it held at the time he/she/it was elected as a Director or a Supervisor (the “**Initial Shares**”), no vote may be exercised with respect to the Shares representing the difference between the Pledged Shares and the 50% of the Initial Shares, and such Shares representing the difference between the Pledged Shares and the 50% of the Initial Shares shall not be counted in the number of the votes of the Members present at the general meeting.

62. The voting power exercising by way of electronic transmission shall be listed by the Company as one of the ways of exercising the voting power since 2016.
63. A Member who exercises his votes in writing or by way of electronic transmission as set forth in the preceding Article 62 shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules. The chairman, acting as proxy of a Member, shall not exercise the voting right of such Member in any way not stipulated in the written or electronic document.
64. A Member shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 62 to the Company no later than two (2) days prior to the scheduled meeting date of the general meeting; whereas if two (2) or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 63 by the first written ballot or transmission shall prevail unless it is expressly included in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.
65. In case a Member who has submitted his votes by written ballot or electronic transmission intends to attend the general meeting in person, he shall, at least two (2) day prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 63. If a Member who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 62 does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting pursuant to Article 63 shall prevail. If a Member has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 62, and has subsequently submitted a proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf, the subsequent appointment of that person as his or her proxy shall be deemed to be a revocation of such Member’s deemed appointment of the chairman of the general meeting as his or her proxy pursuant to Article 63 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.
66. (A) The proceedings regarding general meetings and voting at general meetings which are not provided for in these Articles shall be governed by the Rules Governing the Conduct of the General Meetings of the Company and the Applicable Listing Rules, as adopted and amended by way of Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.

(B) In case the procedure for convening a general meeting of Members or the method of adopting resolutions is in violation of the Law, Applicable Listing Rules or these Articles, a Member may, within 30 days from the date of the resolution, submit a petition to the Taipei District Court of Taiwan as the court of jurisdiction and first instance or the courts of the Cayman Islands for an appropriate remedy.

## **PROXY SOLICITATION**

67. (A) A Member may appoint a proxy to attend a general meeting on his/her behalf by executing a proxy form prepared by the Company stating therein the scope of power authorized to the proxy. A

Member may only execute one proxy form and appoint one proxy for each general meeting, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date. In case the Company receives two or more written proxies from one Member, the first one arriving at the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

(B) After the service of a proxy to the company, in case the Member issuing the said proxy intends to attend the general meeting in person, a proxy rescission notice shall be filed with the Company at least two (2) 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.

68. The instrument appointing a proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The proxy form shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted or executed upon pursuant to such proxy, and (c) basic identification information related to the Member, proxy solicitor/recipient and proxy solicitation agent (if any). The proxy form shall be provided to the Members together with the relevant written or electronic notice of the general meeting, and such written or electronic notice and proxy materials shall be distributed to all Members on the same day.
69. Except for trust enterprises or Members' Service Agencies approved by Taiwan competent authorities or as otherwise specified under these Articles, when a person who acts as the proxy for two or more Members, the number of votes represented by him/her shall not exceed 3 percent of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.
70. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, all matters concerning proxies and/or the solicitation of proxies by a solicitor relating to the Shares of the Company shall comply with all Applicable Listing Rules, whether or not expressly provided for in these Articles.

#### **CORPRATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

71. Any corporation which is a Member or a Director may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members or of the Board of Directors or of a committee of Directors, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he/she represents as that corporation could exercise if it were an individual Member or Director. Any corporation which is a Member may replace such representative from time to time.

#### **DIRECTORS**

72. The name of the first Director(s) shall either be determined in writing by a majority (or in the case of a sole subscriber that subscriber) of, or elected at a meeting of, the subscribers of the Memorandum of Association.
73. (A) Unless otherwise determined by the Company in general meeting, prior to the Shares of the Company are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the number of Directors shall be no less than five Directors, and the exact number of Directors is to be determined from time to time solely by the Board. The professional qualifications, compositions, election and discharges of the Directors, the exercise of their powers, and other related matters shall comply with the Applicable Listing Rules.

(B) For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Applicable Listing Rules require for a foreign issuer.

Where the Company is listed on the GreTai Securities Market or TSE, the Board shall have at least 2 Independent Directors and the number of Independent Directors shall not be less than 1/5 of the total number of Directors, of whom at least one Independent Director shall have domicile in Taiwan. The professional qualifications, compositions, elections and discharges of the Independent Directors, the exercise of their powers, and other related matters shall comply with the Applicable Listing Rules.

(C) Where the number of Independent Directors on the Board falls below the minimum number required by these Articles, the Company shall hold a by-election for Independent Directors at the next following general meeting. Where all of the Independent Directorships become vacant, within 60 days of the occurrence of such shortfall, an extraordinary general meeting of Members to elect succeeding Independent Directors to fill the vacancies shall be held.

(D) Any juristic person or corporation which is a Member, its authorized representative may also be elected as the Director in such representative personal capacity. If there are two or more authorized representatives, each of them may be so elected.

74. (A) The general meeting of the Members may appoint any natural or legal Person to be a Director; provided however that more than half of the Directors shall not, as among them, have spousal relationship or familial relationship within the second degree of kinship.

(B) Where the Directors elected in the general meeting do not meet the condition set forth in Article 74(A), the election of the Director receiving the lowest number of votes among those not meeting the said condition shall be deemed null and void.

(C) When a person serving as Director is in violation of Article 74(A), that person shall be subject to ipso facto dismissal through the *mutatis mutandis* application of Article 74(B).

(D) When the number of Directors falls below 5 due to the dismissal of a Director for any reason, the Company shall hold a by-election for Directors at the next following general meeting.

(E) When the number of vacancies in the Board equals to one-third of the total number of Directors determined from time to time by the Board, the Board of Directors shall hold, within 60 days of the occurrence of such shortfall, an extraordinary general meeting to elect succeeding Directors to fill the vacancies.

75. At a general meeting for election of Directors, the number of votes exercisable in respect of one Share shall be the same as the number of Directors to be elected, and the total number of votes per Share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director so elected. The authorized representative of a Member may be elected as a Director, and if there is a plural number of such authorized representatives, each of them may be so elected.

76. The Directors may adopt a director candidate nomination mechanism which is in compliance with the Applicable Listing Rules, and establish rules and procedures related to such director candidate nomination mechanism in accordance with the Applicable Listing Rules. The election of directors and independent directors shall adopt the candidate nomination mechanism in accordance with the Applicable Listing Rules.

77. Subject to the provisions of these Articles, the term for which a Director will hold office shall not exceed 3 years; thereafter he/she may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.

78. (A) A Director may be discharged at any time by a Special Resolution (Taiwan). If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.

(B) If the general meeting held prior to the expiration of the term of the existing Directors decides that all Directors will be re-elected with effect immediately after the adoption of such resolution (the



“**Appointment**”), unless otherwise resolved at such general meeting, the term of the existing Directors shall be deemed to have expired immediately prior to the Appointment. Such resolution made in the general meeting shall be attended by the Members who represent more than one-half of the total number of issued Shares.

79. The Board of Directors shall have a Chairman (the “Chairman”) elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of the Directors present at the Board meeting with a quorum of at least two-thirds of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board, and shall represent the Company in all external affairs. However, in the first meeting of each term of the board of directors, it shall be convened by the director who received a ballot representing the largest number of votes at the shareholder meeting; the convener shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors.
80. There shall be no shareholding qualification for Directors.

#### **DIRECTORS' REMUNERATION AND EXPENSES**

81. The Directors shall be authorized and delegated the power to set remuneration for all Directors. Director's 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. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him/her in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of his/her duties as a Director.
82. (Deleted)

#### **PROXY OF DIRECTOR**

83. Any Director may appoint another Director, to be the proxy of that Director to attend and vote on his/her 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; however, 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.

#### **POWERS AND DUTIES OF DIRECTORS**

84. Subject to the provisions of the Companies Law, these Articles, the Applicable Listing Rules and to any resolutions made in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that resolution had not been made.

84A.(A) The Directors shall owe fiduciary duties to the Company and such fiduciary obligations shall include but not limited to the observance of general standards of loyalty, good faith, and the avoidance of a conflict of duty and self-interest. Subject to Cayman Islands law, (i) if the Director has acted contrary to this provision, he/she/it shall be liable for the damages incurred by the Company therefrom; and (ii) if the Director has acted for himself/herself/itself or for another person, the general meeting may, by an Ordinary Resolution, deem the earnings in such an act as earnings of the Company.

(B) Subject to Cayman Islands law, if any Director has, in the course of conducting the business operations, violated laws or regulations and thus caused damage to any other person, he/she/it and the Company may be liable, jointly and severally, for the damage to such other person.

(C) Any managerial officer who is in the course of conducting the business operations shall take the same liability as the Director.

85. The Directors may appoint a Chief Executive Officer and other managers (who may or may not be Directors) as the officers of the Company as the Directors may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Law and these Articles, and for such term and at such remuneration (whether by way of salary or commission or participation in earnings or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors.

86. (A)The 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 regulations that may be imposed on it by the Directors.

(B)The Company shall establish a remuneration committee, and the professional qualifications, compositions, election and discharges of its members, the exercise of their powers, and other related matters shall comply with the Applicable Listing Rules.

(C) Remuneration referred to in the preceding paragraph shall include salary, stock options, and any other substantive incentive measures for Directors and managerial officers.

87. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

88. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such persons.

89. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

90. Any such delegates as aforesaid may be authorized by the Directors to subdelegate all or any of the powers, authorities, and discretion for the time being vested in them.

#### **BORROWING POWERS OF DIRECTORS**

91. Subject to these Articles and Applicable Listing Rules, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

## THE SEAL

92. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of at least one (1) Director or in the presence of any one (1) or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
93. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal.

## DISQUALIFICATION OF DIRECTORS

94. A person shall not be qualified to hold office as a Director if any of the situations set forth in (a) through (h) below applies to such Person. In addition, the office of Director shall be vacated, if Director:
- (a) committed a felony (including but not limited to the crimes stipulated in the R.O.C "Organized Crime Prevention Act") and has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or 5 years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
  - (b) has been sentenced to imprisonment for a term of more than one year by a final judgment for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or 2 years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
  - (c) has been adjudicated guilty by a final judgment for committing the offense as specified in the Anti-corruption Act, and has not started serving the sentence, has not completed serving the sentence, or 2 years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
  - (d) has been adjudicated to be bankrupt or has been adjudicated of the commencement of liquidation process by a court and has not been reinstated to his rights and privileges;
  - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
  - (f) incapacity or partial incapacity;
  - (g) Has been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet;
  - (h) resigns his/her office by notice in writing to the Company;
  - (i) is removed from office by Special Resolution (Taiwan).
- 94A. (A) A Director (not including the independent director) will be automatically discharged if, during his/her/its tenure, such Director transfers more than one half of the Shares held by him/her/it at the time of election; a Director will also be automatically discharged if the aggregated number of Shares transferred by such Director prior to and after the amendment of these Articles is more than one half of the Shares held by him/her/it at the time of election.
- (B) If, after he/she/it is elected, a Director (not including the independent director) transfers more than one half of the Shares held by him/her at the time of election before he/she/it assumes office, or transfers more than one half of the total number of Shares held by him/her/it during the period prior to the general meeting where share transfer registration is suspended, the election



of such Director shall become invalid.

95. Subject to the Companies Law and Cayman Islands laws, if a Director commits, in the course of performing his/her duties, any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or these Articles, but has not been removed by the Company pursuant to a Special Resolution (Taiwan), then any Member(s) holding 3 percent or more of the total number of issued Shares shall have the right, within 30 days after that general meeting, to submit a petition to the Taipei District Court as the court of jurisdiction in the first instance, or the courts of the Cayman Islands, for the removal of such Director.

### **PROCEEDINGS OF DIRECTORS**

96. The Directors may, upon provision of 7 days' notice (exclusive of the day on which it is given and the day of the meeting) in writing to each Director specifying the place, the day and the time of the meeting and the nature of business to be transacted at the meeting, meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Board meetings shall be held within such period and with such frequency as may be prescribed by the Applicable Listing Rules. In the case of emergency (as defined in Taiwan Company Act), the meeting of Directors may be convened at any time. The notice for meeting of Directors may be given by means of electronic communication if the Company obtains prior consent by the individual recipients.
97. Directors may participate in any meeting of the Board by means of such visual communication facilities as permit all persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
98. Unless otherwise stipulated in these Articles, the quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors. A Director represented by proxy at any meeting shall be deemed to be present for the purposes of determining. Except as otherwise required under Article 99, questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the Chairman shall not have a second or casting vote.
99. The following actions require the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds of all Directors:
- (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
  - (b) the sale or transfer of the whole or any material part of its business or assets;
  - (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (d) the election of Chairman of the Board pursuant to these Articles;
  - (e) issuance of corporate bonds;
  - (f) issuance of Shares as provided in Article 8; and
  - (g) the actions prescribed in Article 9, 15(A), 30, and 79.
100. (A)A Director who has a personal interest in the matter under discussion at a Board meeting shall disclose and explain to the Board at such Board meeting the essential contents of such personal interest. In the merger/consolidation and acquisition by the Company, the director who has a personal interest in the transaction of merger/consolidation and acquisition shall explain to the Board meeting and the general meeting the essential contents of such personal interest and the cause of approval or dissent to the resolution of merger /consolidation or acquisition. The Company shall also elaborate the essential contents of the Director's personal interest and the reason for approving or dissenting the resolution of the Acquisition in the reasons for convening this general meeting; such content shall be published on a website designated by the Taiwan securities competent authorities or the Company, and the URL of such website shall be specified

on the general meeting notice.

(B) 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.

(C) A Director who has personal interest in the matter under discussion at a Board meeting which may impair the interests of the Company shall refrain from voting on such matter in the Board meeting or exercising voting right on such matter by himself/herself or on behalf of another Director in the said Board meeting. 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 votes of Directors present at the Board meeting.

101. A Director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Members and be approved by a Special Resolution (Taiwan). Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realized by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one year from such behaviour.
102. A Director may hold any other office or place of profit under the Company in conjunction with his/her office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director shall be disqualified by his/her office from contracting with the Company either with regard to his/her tenure of any such other office or place of profit, nor shall any Director so contraction or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
103. Subject to these Articles, any Director may act by himself/herself or his/her firm in a professional capacity for the Company, and he/she or his/her firm shall be entitled to remuneration for professional services as if he/she were not a Director, provided that nothing herein contained shall authorise a Director or his/her firm to act as auditor to the Company.
104. The following matters proposed to be transacted by the Company shall be submitted to the Board of Directors for approval by at least two-thirds of all Directors unless approval has been obtained from the competent authority in Taiwan. All resolutions put to the vote of a Board of Directors shall be decided by poll. No resolutions will be passed by written resolution of Directors without a meeting. When an Independent Director has a dissenting opinion or qualified opinion on the following matters, the dissenting or qualified opinion of the Independent Director shall be noted in the minutes of the meeting of Directors:
  - (a) Adoption or amendment of the Company's internal control system;
  - (b) Assessment to the effectiveness of the internal control system;
  - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance to the Company, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
  - (d) Any matter bearing on the personal interest of a Director;
  - (e) Material asset or derivatives transactions;
  - (f) 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 discharge of a financial, accounting, or internal auditing officer;
  - (j) Approval of the annual and semi-annual financial reports; and

- (k) Any other material matter so required by the competent authorities.
105. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:
- (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors, including the objections and comments made by Independent Directors.
106. 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 these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number summoning a general meeting of the Company, but for no other purpose.
107. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of them to be the chairman of the meeting.
108. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
109. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### **AUDIT COMMITTEE**

110. The Company shall establish the Audit Committee. Its professional qualifications, compositions, election and discharges, the exercise of its powers, and other related matters shall comply with the Applicable Listing Rules.
111. In the event that the Company establishes the Audit Committee, the following matters shall be subject to the consent of the Audit Committee and be submitted to the Board of Directors for a final consent:
- (a) Adoption or amendment of an internal control system.
  - (b) Assessment of the effectiveness of the internal control system.
  - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
  - (d) A matter bearing on the personal interest of a Director.
  - (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 discharge of a financial, accounting, or internal auditing officer.

(j) Annual and semi-annual financial reports.

(k) Any other material matter so required by the Company or the competent authority.

With the exception of subparagraph (j), any matter under preceding subparagraph that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

112. Subject to the Cayman Islands law, Member(s) who has/have been continuously holding 1 percent or more of the total number of the issued Shares of the Company for over six month may request in writing the independent directors of the Audit Committee of the Company to institute, for and on behalf of the Company, an action against Director(s) of the Company; such action may be instituted in the Taipei District Court as the court of jurisdiction in the first instance.
113. In case the independent directors of the Audit Committee fail to institute an action within 30 days after having received the request made under the preceding article, subject to the Cayman Islands Law, the Members filing such request under the preceding article may institute the action for and on behalf of the Company; ; such action may be instituted in the Taipei District Court as the court of jurisdiction in the first instance.
114. (Deleted)
115. Subject to the Company Act, any matter related to the Audit Committee which has not been included in these Articles shall refer to the Applicable Listing Rules.
116. (A) Before any resolution of merger/consolidation and acquisition by the Board of Directors, the Company shall have the Audit Committee review the fairness and reasonableness of the plan and transaction of the merger/consolidation or acquisition, and then report the review results to the Board of Directors and the general meeting; provided that the Audit Committee may restrain from reporting to the general meeting if the laws of the foreign issuer's registered country does not require the merger/consolidation or acquisition to be resolved by the general meeting.
- (B) When the Audit Committee reviews matters, it shall seek opinions from an independent expert on the justification of the share exchange ratio or distribution of cash or other assets.
- (C) The review results of the Audit Committee and the opinions from the independent expert shall be sent to the Members together with the notice of the general meeting; provided that such matters regarding merger/consolidation and acquisition shall be reported to the latest general meeting if the laws of the foreign issuer's registered country does not require the merger/consolidation or acquisition to be resolved by the general meeting.
117. If the Company announces the same content as in those documents prescribed under the preceding article 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, those documents shall be deemed as having been sent to shareholders.
118. Subject to the Companies Law and these Articles, for so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, dividend or bonuses, except for compensation to employees and remuneration of Directors and Supervisors, may only be declared in NTD.
119. As the Company is currently in the developing stage and will need funds for operating in the coming years, the distribution of Surplus Earnings shall be conducted according to Article 123.
120. (A) The surplus earning distribution or loss off-setting proposal shall be proposed at the close of each fiscal year
- (B) The Company distributing surplus earning in accordance with the provision of the preceding paragraph shall estimate and reserve the taxes and duties to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.

(C) The Company shall, by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the Company, distribute surplus earning in the form of new shares to be issued by the Company. If the total number of shares represented by the shareholders present at a meeting of shareholders is less than the threshold aforementioned, the resolution may be adopted by a large majority of two thirds or more of the voting powers of the shareholders present at a shareholders' meeting who represent a majority of the total number of issued shares.

121. Surplus earning distribution or loss off-setting proposals shall be made based on the financial statements audited or reviewed by a certified public accountant.

122. (A) The Company shall distribute no more than 1% of profit of the current year as employees' compensation, and no more than 2% of profit of the current year as directors' remuneration. However, the company's accumulated losses shall have been covered.

(B) The profit distributable as employees' compensation may be distributed in stock dividends and/or cash dividends (for fractional Shares, the dividends shall be distributed in cash), and the qualification requirements of employees including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive shares or cash.

(C) "Profit of the current year" specified in this Article refers to the pre-tax income of the current year before deducting the profits attributable as employees' compensation as well as directors' remuneration; the certain specific requirements are stipulated by the Board of Directors.

(D) The profits distribution to employees' compensation as well as directors' remuneration shall be resolved by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors and shall be submitted to the shareholders' meeting.

## **DIVIDENDS**

123. (A) The Company shall not pay dividends, unless its losses shall have been offset and a Statutory Reserve shall have been set aside in accordance with the section(C) of this Article.

(B) The Company shall not pay dividends when there are no Surplus Earnings (as defined below) unless paid in accordance with Article 128(A).

(C) Where the Company has net profits for the then period at the end of the fiscal year, it shall off-set losses, and thereafter setting aside ten percent (10%) as Statutory Reserves provided however that the Statutory Reserve amounts equal to the total paid-up capital of the Company, this provision shall not apply. In the event that there is still the balance left ("Surplus Earnings"), unless otherwise provided in these Articles, it may add unappropriated retained earnings of previous years as bonus shares or dividends, the distribution proposal of which is proposed by the Board of Directors, declared and distributed by an Ordinary Resolution at an annual general meeting, and be allocated to the Members as bonus Shares or dividends according to the shareholding percentage of every Member. However, after finance, business and operation having been considered, the remainder allocated to the Members by way of bonus Shares or cash dividends shall not be less than 20 percent (20%) of the net profits for the then period in accordance with the Companies Law and the Applicable Listing Rules. The Members dividends will be distributed in stock dividends and/or cash dividends (for fractional Shares, the dividends shall be distributed in cash), and the cash dividends shall not be less than 30 percent (30%) of the total dividends distributed in the given year.

124. Aside from the Statutory Reserve, the Company may, by Ordinary Resolution, set aside from its Surplus Earnings an additional amount as a special reserve ("Special Reserve") for such purpose as authorized by the Ordinary Resolution.

125. Unless otherwise provided in these Articles and to the extent permitted by the Laws, the Statutory Reserve and the 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 Statutory Reserve and the Special Reserve are insufficient to off-set such losses.

126. Any resolution declaring a dividend, bonus Shares or other distribution on Shares of any class may



specify that the same shall be payable or distributable to the persons registered as holders of such Shares at the close of business on a particular date.

127. Any dividend may be paid by cheque sent through the post to the registered address of the Member, or in the case of joint holders, to the holder whose name stands first in the Register in respect of the Shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque shall be made payable to the Member or the joint holders unless any of them has otherwise directed.
128. (A) Where the Company incurs no loss, it may, subject to the Companies Law, by Special Resolution (Taiwan) (a) capitalize its Statutory Reserve and following categories of Capital Reserve - Share Premium Account and/or income from endowments received by the Company - in whole or in part, by issuing new, fully paid bonus Shares to its Members or (b) make distributions out of the Statutory Reserve and the Share Premium Account to its Members in cash. Where the Statutory Reserve is capitalized by issuing new Shares or is distributed in accordance with Article 128(A)(b), only the amount of the Statutory Reserve exceeding 25% of the paid-up capital of the Company may be capitalized or distributed.  
  
(B) In the case where 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 11 shall not apply.
129. If several persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.
130. No dividends shall bear interest against the Company.

#### **ACCOUNTS AND AUDIT**

131. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
132. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
133. At the close of each financial year, the Board of Directors shall prepare and submit business reports, financial statements, and surplus earning distribution or loss off-setting proposals to the Audit Committee for their auditing 30 days prior to the commencement of the annual general meeting of Members, and the Board of Directors shall then provide the aforementioned documents to the annual general meeting of Members for its ratification. After the documents are ratified by the annual general meeting, the Board of Directors shall distribute or announce to each Member copies of the ratified financial statements and resolutions on the earning distribution and/or loss offsetting.
134. The statements and records of accounts prepared by the Directors in accordance with the previous Article on the Company's accounts or business shall be made available at the Office and at the office of the Members' Service Agent in Taiwan for inspection at any time by the Members commencing at least 10 days prior to the annual general meeting.
135. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.
136. Each year the Directors shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.
137. (A) The Board of Directors shall keep at the Office and at the office of its Members' Service Agent in Taiwan copies of the Memorandum and Articles, the minutes of every meeting of the Members and the financial statements, the Register and the counterfoil of corporate bonds issued by the Company. Any Member of the Company may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect,

transcribe and to make copies of any such accounting books and records. The Company shall have its Members' Service Agent to provide with such accounting books and records.

(B)The board of directors or other authorized conveners of shareholders' meetings may require the Company or its Members' Service Agent to provide with the roster of shareholders.

138. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs or any of its Member including, without limitation, information contained in the Register of Members and transfer books of the Company.

#### **TENDER OFFER**

139. Within ten 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 Listing Rules, the Board of the 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 numbers of the Shares held by the Directors and the Members holding more than 10 percent of the issued Shares in its own name or in the name of other persons.
  - (b) Recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
  - (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 percent of the issued Shares held in its own name or in the name of other persons. And
  - (e) Other related material information.

#### **SHARE PREMIUM ACCOUNT**

140. The Directors shall in accordance with Section 34 of the Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equals to the amount or value of the premium paid on the issue in par value of any Share.
141. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the par value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by Section 37 of the Companies Law, out of Capital.

#### **NOTICES**

142. 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 or via a recognized courier service addressed to the Member at his/her address as appearing in the Register of Members. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
143. 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.
144. Any notice or other document, if served by (a) post, shall be deemed to have been served five days

after the time when the letter containing the same is posted, or, (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 or (c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service. In proving any notice or other document having been duly served 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.

145. 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 these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has received notice of his/her 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/her 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/her) in the Share.
146. Notice of every general meeting of the Company shall be given to:
- (a) all Members holding Shares with the right to receive notice and who have provided to the Company an address for giving notices to them; and
  - (b) every person entitled to a Share in consequence of the death or bankruptcy of a Member, who would be entitled to receive notice of the meeting

Subject to the preceding paragraph in this Article, no other person shall be entitled to receive notices of general meetings.

#### **INDEMNITY**

147. Every Director and officer ( each an “**Indemnified Person**”) shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him/her, other than by reason of his/her own dishonesty, willful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his/her duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him/her in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.
148. For the benefit of every Director and other officer for the time being and from time to time of the Company, the Company may purchase liability insurance for them (the “**Director and Officer Insurance**”); provided that the liability is limited to the performance of his/her duties pursuant to the Articles, Law and the Applicable Listing Rules.

#### **FINANCIAL YEAR**

149. Unless otherwise prescribed by the Directors, the financial year of the Company shall begin on January 1st of each year and shall end on December 31st of such year.

#### **NON-RECOGNITION OF TRUSTS**

150. No person shall be recognized by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent or future interest in any of its Shares or any other rights in respect thereof except an absolute right to the entirety thereof in each Member registered in the Register of Members.



## **WINDING UP**

151. If the company shall be wound up the liquidator may, with the sanction of an Ordinary Resolution, distribute to the Members in specie 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/she deems fair upon any property to be distributed as aforesaid and may determine how such distribution shall be carried out as between the Members or different classes of Shares. 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 Members, 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.
152. The Company shall keep all statements, records of account and documents for a period of ten years from the date of the completion of liquidation and then reporting it to the court, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

## **AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION**

153. Subject to the Companies Law and the Applicable Listing Rules, the Company may at any time and from time to time by Special Resolution alter or amend the Memorandum of Association or the Articles in whole or in part. However, in case the Company has issued preferred Shares, any amendment to the Articles prejudicial to the privileges of the Members holding preferred Shares shall also be approved by them.

## **REGISTRATION BY WAY OF CONTINUATION**

154. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

## **AGENT FOR LITIGIOUS AND NON-LITIGIOUS MATTERS**

155. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall designate an agent for litigious and non-litigious matters in Taiwan in accordance with the Applicable Listing Rules and such agent shall be the responsible person of the Company in Taiwan. The aforementioned agent shall be a natural person and have a domicile or residence in Taiwan.