

# **Actron Technology Corporation.**

## **Articles of Incorporation**

### **Chapter 1 : General Principles**

#### **Article 1**

The Company is incorporated as a company limited by shares in accordance with the Company Act (the "Company Act") and its full name in Chinese language is 朋程科技股份有限公司, and Actron Technology Corporation in English language. ( hereinafter the "Company").

#### **Article 2**

The business scope of the Company is as follows:

1. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. F401030 Manufacture export
5. F401010 International Trade
6. CC01080 Electronic Parts and Components Manufacturing

All business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### **Article 2-1**

The Company may act as a guarantor as required by its business operation.

#### **Article 3**

The Company is headquartered in Taoyuan City, Taiwan and when necessary may establish branches at home and abroad as resolved by the board of directors.

The Company may act as a guarantor and may invest in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40 percent of paid-in capital set out in Article 13 of the Company Act.

#### **Article 4**

Public notices by the Company shall be made in accordance with Article 28 of the Company Act.

### **Chapter 2 : Shares**

#### **Article 5**

The total capital of the Company is three billion New Taiwan Dollars(NT\$3,000,000,000) divided into three hundred million (300,000,000) shares, at ten New Taiwan Dollars per share and may be issued in a series of issuance. The un-issued shares may be issued by a resolution of the Board of Directors if the Board deems necessary. Among the total capital stock indicated in the first paragraph, the amount of shares 2,500,000 should be reserved for issuing options for stock, preferred stock, or corporate bond. The quota of aforesaid options for stock, preferred stock, or corporate bond shall be adjusted by the Board of Directors' resolutions contingent on the capital market's condition and managerial demand.

## **Article 6**

The share certificates of the Company shall be all in registered form. The share shall assign its share certificates with serial numbers, and the share certificates shall be affixed with the signatures or seals of the director representing the company, and shall be duly certified or authenticated by the bank. Shares issued by the Company need not be in certificate form, but in accordance with the law shall be registered with a securities depository enterprise.

## **Article 7**

All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders' meeting, or for 30 days prior to an extraordinary shareholders' meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

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

### **Article 8**

Shareholders' meetings shall be of two types, ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the relevant laws, whenever necessary.

### **Article 9**

A shareholder who is unavailable to attend the shareholders' meeting may duly present a power of attorney with the form provided by the Company, bearing the scope of the authorized powers to authorize a proxy to attend on-behalf. The power of attorney shall be duly used in accordance with applicable laws and ordinances and the rules promulgated by the competent authority.

### **Article 10**

The Company's shareholders are entitled to one voting right per share, provided that shareholders have no voting right for shares held under Article 179 of the Company Act.

### **Article 11**

Except otherwise provided by the laws and regulations, a resolution of the shareholders' meeting shall be adopted by the majority of the votes represented by the attending shareholders who hold the majority of the Company's issued shares. The directors of this Corporation may exercise their voting rights by electronic means of communication; directors exercising their voting rights by electronic means of communication shall be regarded as attending in person; related matters shall be handled in accordance with laws and regulations.

## **Chapter 4: Directors and the Board**

### **Article 12**

The Company has nine to thirteen directors, elected in the shareholders' meeting from the candidate of disposing capacity, with three-year tenure of office and eligible for reelection. With a resolution passed at a Board meeting, the Company may take out liability insurance for its Directors against the compensation liabilities incurred while they are in office. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any

other director.

### **Article 12-1**

The aforementioned number of directors shall include a minimum of three independent directors (including a minimum of one independent director in the expertise of accounting or finance), and the number of independent directors shall not be less than the minimum of one-fifth of the total number of director seats. Directors (including Independent directors) are elected in a candidate nomination system. The shareholders' meeting shall elect the right independent directors out of the list of candidates. Matters regarding independent directors' professional qualification requirements, shareholding, restriction on concurrent post, recognition of independence, methods of nomination and election, and other matters to be complied with shall be duly handled in accordance with the requirements promulgated by the competent authority in charge of securities affairs.

The Company duly establishes the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Law which shall be duly organized by independent directors in full.

### **Article 13**

The Board of Directors is duly organized by directors. By attendance of two thirds of directors and a majority of votes of attending directors, one chairman shall be duly elected. The chairman shall chair the shareholders' meeting and Board of Directors meeting internally and represent the Company externally. In the same manner, one vice chairman shall be elected.

### **Article 14**

In case the chairman is on leave of absence, or cannot exercise his powers and authority, the vice chairman shall act in lieu of him. The vice chairman is on leave of absence, or cannot exercise his powers and authority. An acting chairman shall be designated in accordance with Article 208 of the Company Act.

### **Article 14-1**

Unless otherwise provided for in the Company Act, decisions in the Board of Directors meeting shall be resolved by a majority of votes in the meeting where attending directors represent a majority of the total number of directors. A director who is unavailable to attend the board of directors meeting may be represented by another director per Article 205 of the Company Act. Organization, authority of office, rules and procedures of meetings and other matters to be complied with of the Company's Audit Committee shall be in conformity with the requirements of the competent authority.

The Board of Directors of the Company may establish other committees whose sizes as well as terms of service and authorities of the members shall be specified in individual committees' organization bylaws and approved by the Board of Directors.

### **Article 15**

The remuneration of all the directors shall be determined by a shareholders' meeting. The standard generally adhered in the industry irrespective of whether the Company operates at a profit or loss.

## **Chapter 5 : Management**

### **Article 16**

The Board is authorized to determine the remuneration for Directors based on the degree of their involvement in the Company's operation and value of contribution, and whose income shall not exceed the salary range of the Company. If the director of the Company holds any position in the Company, in addition to the remuneration distributed pursuant to Article hereof, monthly payment of salary based on the standard of general managers may also be granted.

The Company may have one chairman, one chief executive officer, one vice executive officer, one president and consultants, BG general managers, and a number of vice presidents and managers according to the resolution of the Board of Directors. Appointment, removal, and remuneration of the chief executive officer, vice executive officer, president and vice presidents shall be handled in accordance with Article 29 of the Company Act.

## **Chapter 6 : Accounting**

### **Article 17**

After the end of each fiscal year, the Board of Directors shall prepare the following statements and reports and submit them to the ordinary shareholders' meeting for ratification: (1) Business report; (2) Financial report; and (3) Proposals for allocation of profits or compensating losses.

### **Article 18**

When it is determined that the Company has profit for a fiscal year, the Company shall appropriate the employees' and directors' remuneration according to the following sequence. But, in the case that the Company still has retained losses, the Company should appropriate sufficient amount for making up the losses of previous year and then appropriate according to the following sequence. In this article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

1. At least 5% of the profit shall be allocated as the remuneration of employees, which may be paid in cash or in the form of shares. Where the employee bonus is distributed in the form of shares, qualified employees of the subordinate companies may be included. The qualification shall be determined by the board of directors.
2. At most 3% of the profit shall be allocated as directors' remuneration. In this article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

The report of the employees' remuneration and directors' remuneration shall be submitted to the shareholders' meeting.

The company assigns employees to remunerate, issuance of employee restricted stocks, issuance of new shares because of the exercise of current stock options, capital increase by issuing new shares, the transfer of purchased shares. Though the qualification requirements of both the parent and subsidiary companies employees is formulated from specific requirements decided by the board of directors.

### **Article 19**

If the Company has surplus earnings at the end of a fiscal year, after paying all relevant taxes, making up Company's accumulated losses, the Company shall first set aside 10

percent of said earnings as legal reserve. However, if the legal surplus reserve has reached the total paid-in capital, it is exempted from further appropriation, and then set aside the special reserve in accordance with the requirements under the laws and regulations. The remainder shall include the retained profits from the previous years, and the Board of Directors should propose the dividends distribution and determined by shareholders' meeting.

The company shall authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The board of directors shall make a proposed the dividends distribution to allot the remaining balance in accordance with the Company's earnings, with capital needs and tax payment, and effect to shareholders consideration. In order to keep sustainable development for the Company and continuous growth on earnings per share, dividend for shareholders shall be no less than 50% of the net profit after income tax under the circumstance. The distribution may be executed in cash dividend and/or share dividend, and the cash dividend shall be no less than 50% of the total distributed dividends.

## **Chapter 7 : Supplementary Regulations**

### **Article 20**

Any matters insufficiently provided for in the Articles of Incorporation shall be subject to the Company Act.

### **Article 21**

The Articles were duly stipulated on November 9, 1998.

The Articles were duly amended on March 18, 1999 as the 1st amendment.

The Articles were duly amended on July 23, 1999 as the 2nd amendment.

The Articles were duly amended on May 10, 2000 as the 3rd amendment.

The Articles were duly amended on May 3, 2001 as the 4th amendment.

The Articles were duly amended on June 7, 2002 as the 5th amendment.

The Articles were duly amended on June 14, 2003 as the 6th amendment.

The Articles were duly amended on June 25, 2004 as the 7th amendment.

The Articles were duly amended on June 8, 2005 as the 8th amendment.

The Articles were duly amended on October 14, 2005 as the 9th amendment.

The Articles were duly amended on June 14, 2006 as the 10th amendment.

The Articles were duly amended on June 22, 2007 as the 11th amendment.

The Articles were duly amended on May 27, 2008 as the 12th amendment.

The Articles were duly amended on June 4, 2010 as the 13th amendment.

The Articles were duly amended on June 6, 2012 as the 14th amendment.

The Articles were duly amended on June 4, 2013 as the 15th amendment.

The Articles were duly amended on June 2, 2015 as the 16th amendment.

The Articles were duly amended on June 3, 2016 as the 17th amendment.

The Articles were duly amended on May 26, 2017 as the 18th amendment.

The Articles were duly amended on May 29, 2019 as the 19th amendment.